

LEADER Programme 2014 – 2020

Scottish Borders LEADER Local Action Group

1st Annual Report – period to 31 December 2016

This annual report is prepared by the LEADER Local Action Group for its partners and other stakeholders, for community groups, applicants and potential applicants in the Scottish Borders.



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1. FOREWORD FROM THE LOCAL ACTION GROUP CHAIR

At a time when community groups, charities, farms and businesses are all looking for new ways to support their innovative work, LEADER offers an important and distinctive funding opportunity.

However, the development of any new funding programme can be a complex and lengthy process. During 2016, after what felt like a long build-up, it was with great pleasure that the Scottish Borders Local Action Group approved the first grants in the Borders from LEADER 2014 – 2020. Each successful grant represents a great deal of hard and high quality work from the applicants, through several stages of project development, and they should be congratulated.



This innovative social enterprise project based in Berwickshire was one of the first to receive LEADER support in this programme. Re-Tweed offers women the opportunity to get back into work by creating textile goods from recycled materials. Participants receive training and develop confidence through creating products, selling them at fairs, retail outlets and online with the opportunity to establish their own business or go onto employment or further education. At the end of each training programme, a graduation ceremony is held where certificates are presented for completing the course.

The project has already proved its worth with many of the graduates being offered jobs as a result. Visit www.retweet.com to learn more.



Calum Kerr MP presenting awards, Nov 2016

Also due for congratulations and thanks are the wonderful people 'behind the scenes' of this process. We are genuinely fortunate here in the Borders to have an exceptionally committed and skilled staff team supporting and driving forward this work. Not only do they carry out effective outreach and provide guidance and support to applicants, they also manage the many administrative systems of the programme, making the grant process possible. Thank you also to Scottish Borders Council which hosts and supports the team and this work.

We look forward to the coming years of this LEADER programme which, now that the programme is in full flow, promise to be even busier and more rewarding.

Dr Jane Rosegrant
Chair, Scottish Borders LEADER LAG

2. BACKGROUND AND TIMELINES

In 2014 the Scottish Government invited applications for the delivery of a new LEADER Programme. With Council support the Local Action Group ran community consultation events in spring and summer 2014. In addition to a number of meetings with stakeholder groups there were four public consultation meetings. In all over 125 organisations or individuals contributed to the consultation which led to the draft Local Development Strategy for Scottish Borders LEADER 2014 – 2020, which formed the basis of an application for programme funding.

The Local Action Group (LAG) is a voluntary group drawn from local rural stakeholders. It manages the LEADER Programme in the Scottish Borders and it makes decisions on which projects should be supported with grant funding. A new LAG was recruited in May 2015 and met for the first time in June. An indicative allocation of £4m funding for the Scottish Borders was confirmed in August 2015. The LAG met again for a training session in September and a more formal meeting in November, at which the group elected a Chair and Vice Chair. Membership of the group is on the **Partners** page of the Scottish Borders LEADER website.

The LEADER Programme provides European grant funding for Rural Development projects. It is delivered in Scotland by 21 Local Action Groups as part of Scotland's Rural Development Programme (SRDP), funded through the EU Common Agricultural Policy.

Previously LEADER supported community groups only, but a major change in the new programme is that business projects can be funded. 10% of the funding allocation is for farm diversification, and a further 10% for rural business development.

The previous Scottish Borders LEADER Programme ran from 2007 – 2013, with projects completed and claims finalised in 2014/15. 67 projects were supported in the Borders with a total of £3.3m grant funding.

The Local Action Group is supported by the LEADER team, employed on the LAG's behalf at Scottish Borders Council. A new LEADER Facilitator was appointed in September, and a Programme Coordinator in December 2015.

The Scottish Borders Local Development Strategy also informs the work of the **Fisheries Local Action Group** (FLAG), which makes recommendations on local development funding from the **European Maritime Fisheries Fund** (EMFF). Marine Scotland, the Government agency that manages the fund in Scotland, supported the merger of three previous FLAGs in the Scottish Borders, East Lothian and Fife Council areas. The new Forth FLAG is supported by Scottish Borders

Council, as lead partner, and the EMFF Programme Coordinator is based in an office in Eyemouth.

The two Programmes – rural and fisheries – have separate processes and reporting procedures, and this LEADER annual report does not report on EMFF activities. However, some administration costs of the FLAG are paid through the LEADER fund, so there is further reference to EMFF in the budget section.

3. ACTIVITIES IN 2016

The new LEADER team has been working through 2016 with potential applicants, including businesses and community groups. Part of the team's remit is to ensure that LEADER reaches out to more remote communities, and to those areas that have less community capacity in terms of planning and implementing LEADER projects. To support this ambition team members have arranged meetings with several community groups and spoken at Community Councils to provide more information on the opportunities of LEADER funding.

The team has been involved in networking with other LEADER teams and the Scottish Government Rural Network as part of the development of guidance to LAGs on how to deliver the programme across Scotland. A key part of the team's work is to ensure that the Scottish Borders Local Action Group acts within the rules, and that projects supported are fully compliant with complex EU regulations.

The team favoured a low-cost soft launch process rather than a public event, and delivered this through meetings with community groups and stakeholder networks as described above. There was also a LEADER team presence at the Border Union Show, in addition to presentations at 6 social enterprise events and 14 community group events.

The Scottish Borders LEADER website www.scottishborderleader.co.uk includes information about the programme, and on how to apply. Copies of the Local Development Strategy and Minutes of LAG meetings are available on the site.

The application process is in 2 phases:

Phase 1 – an **expression of interest** can be submitted at any time. The LEADER team work with the potential applicant to develop a project outline to submit to the LAG for members' comments, and a recommendation on whether the project should go to full application.

Phase 2 – a **full application** with supporting documentation including a project plan, detailed costings, financial projections and costed milestones. Project managers should ask the LEADER team for advice on the preparation of application documentation.

There were two application rounds in 2016, and seven projects were offered grant funding support. Applications closed for the third round at the end of November, and a further eleven projects have submitted applications for consideration in early 2017.

LEADER Team activities September 2015 – December 2016

- . 137 new project initial meetings
- . 112 Expressions of Interest received
- . 34 Project outlines developed
- . 2 LAG meetings considered 9 applications received, of which 1 was rejected, 1 deferred and 7 applications approved
- . 11 further applications at year end.

4. LEADER PROJECTS SUPPORTED

Table 1: Project funding agreed in 2016.

	Nos.	Project values	Eligible costs	Grant offered	Rate %
Community projects	4	345,470	345,470	*131,110	38%
Farm diversification	1	248,959	248,959	50,000	20%
Rural business development	2	121,357	121,357	60,678	50%
Total	7	715,786	715,786	241,788	34%

* Includes one project approved in 2016 and offer letter issued in January 2017

A further eleven applications were ready for the LAG at the end of the year with total project values over £1.4m and grant funding requested £600k.

Project results projected

It is too early in the Programme to claim project outputs. Applicants are required to develop a list of their proposed project outputs, and the longer term results and outcomes that they expect their project to achieve.

Approved applications include a number of projected results including employment created and safeguarded, volunteers participating in projects, new skills and training, people supported into work and new products or services developed as a result of LEADER support. These outputs and outcomes will be recorded and analysed as they are delivered and claimed by the project sponsors.

TweedDogs dog day care centre



TweedDogs is a rural business providing high quality day care for dogs while their owners are at work. It opened in February 2016 and is rurally situated between Denholm and Lilliesleaf on the B6359.



The owners applied to LEADER for a business grant to build an all-weather facility with large indoor play and rest areas, grooming/drying area and a kitchenette for preparation of dog meals. This enables them to offer an all-year-round reliable dog day care service regardless of weather conditions and makes the centre more attractive to the discerning dog owner. The separate secure fenced areas and unit build allows dogs to be trained and exercised off the lead and grouped into playgroups based on the dogs' own play style.

5. LESSONS LEARNED

We have identified a number of challenges for applicants, including the problems associated with identifying and securing match funding, and in holding sufficient resources to provide positive cash flow for projects. This can be a real problem for smaller community groups, and applicants should take advice from the LEADER team.

On the positive side we have seen some excellent partnership working, with groups gaining strength through working collaboratively. There are many committed volunteers in the Scottish Borders, providing support to a wide range of innovative community projects.

Project applicants should ensure that they provide details on what their project will achieve over the longer term. The Local Action Group is keen to ensure that projects supported leave a lasting benefit for Scottish Borders communities.

6. BREXIT

LEADER is EU funding, granted through the European Agricultural Fund for Rural Development (EAFRD) as part of Pillar 2 of the Common Agricultural Policy. In Scotland it is delivered through Scotland's Rural Development Programme. Our current understanding is that the UK and Scottish Governments will guarantee Pillar 2 contracts entered into before the point of Brexit.

This means that the LAG expects to be able to run the LEADER programme, and enter into contracts to provide funding support to projects, until the UK leaves the EU. These projects will then be allowed to run to their pre-determined end date, even if that date is after Brexit. So, in expectation of two years of UK / EU negotiations on leaving, it is anticipated that the LAG will be able to deliver the majority of its 2014 – 2020 Programme. The Scottish Government's position on Brexit, and its negotiations with Westminster, adds another level of uncertainty. In the meantime, Scottish Borders LEADER Local Action Group's position is "business as usual".

7. FINANCIAL REPORT

The Scottish Government has allocated a budget of just over £4m to Scottish Borders LEADER. 10% of the total allocation to the Local Action Group is reserved for each of 3 strands: farm diversification; innovative rural business development; and cooperation projects. The main budget figures are provided in Table 2, and the position at 31 December 2016 is shown in Table 3.

Table 2: Scottish Borders LEADER Local Action Group 2014 – 2020 programme budget.

	Budget £	% of Total Allocation	Notes
LEADER Community project grants	1,787,238	44.5%	Available for projects, less grants already offered
Cooperation project budget	401,843	10.0%	
Farm diversification	401,843	10.0%	
Rural business development	401,843	10.0%	
Enterprise Facilitation projects	200,000	5.0%	Available to Facilitation projects
LEADER administration and animation	706,055	17.5%	
EMFF programme delivery costs	119,605	3.0%	Net cost to Borders LAG
Total	£4,018,427		Allocated to Scottish Borders

Table 3: Project funds available at 31 December 2016

	Budget £	Allocated £	Balance £
LEADER Community project grants	1,787,238	131,110	1,656,128
Cooperation project budget	401,843	-	401,843
Farm diversification	401,843	50,000	351,843
Rural business development	401,843	60,678	341,165
Enterprise Facilitation projects	200,000	-	200,000
Total	£3,192,767	£241,788	2,950,979

8. THE ROLE OF THE ACCOUNTABLE BODY

The Local Action Group has responsibility for evaluating projects' potential to contribute to the delivery of the Local Development Strategy, and for making decisions on funding applications. It manages the programme and its promotion in the Borders. The LAG is a voluntary body and has appointed **Scottish Borders Council** to act as its '**Accountable Body**' for the delivery of the LEADER Programme.

The Council:

- Takes legal and financial responsibility for the programme, in line with Scottish Government and EU regulations.
- Employs the LEADER team on behalf of the LAG, and provides premises and IT equipment.
- Provides additional services in-house, including support from the finance department and the Council's internal audit team to ensure compliance.
- Supports promotion of the programme through the Communications team.

9. THE LEADER TEAM

The LEADER Team is the Secretariat for the LAG.

- The **Programme Coordinator** has overall responsibility for the implementation of the Local Development Strategy and for supporting the LAG in its delivery of the Programme.
- The **Programme Facilitator** works as a development officer with rural community groups and businesses, encouraging the development of innovative and sustainable projects.
- The **EU Programme Support Officers** provide specialist support with financial management, grant claims and monitoring and reporting the Programme.

LEADER TEAM

- LEADER Programme Coordinator Fiona McDougall
- LEADER Programme Facilitator Simon Lynch
- EU Programme Support Officers Bartje Magee and Nesta Todd

Phone: 01835 826661

Email: scotbordersleader@scotborders.gov.uk

Contact details for individual team members are on the [Contact Us](#) page of the website.

10. HOW TO APPLY

- Information on eligibility and how to apply for funding is on the Scottish Borders LEADER website: www.scottishbordersleader.co.uk/
- An Expression of Interest may be submitted at any time through the Scottish Rural Network: www.ruralnetwork.scot/funding/leader
- The LEADER team will help applicants develop a project outline for consideration by the LAG, before going to a full application for funds. If you get a green light to apply, the LEADER team will set up access to the online application portal.
- Applicants are required to provide full information on their project proposal, and explain how it will be delivered. Full details of costings and finance projections should be provided, including a description of other funds secured. There is a section on match funding on the website.
- There are four deadline dates for full applications in 2017, the end of February, May and August and mid-November.

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