



Tyne Esk LEADER Programme 2007-2013

Guidance and Programme Compliance

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General Rules

- Projects **cannot** commence before approval of funding
- Funding **cannot** be awarded retrospectively i.e. expenditure incurred prior to a project receiving approval.
- All grant assistance must be claimed **within two years** of the Approval start date issued by the LAG
- The project must be based within the Tyne Esk LEADER area to which application is made.
- The project will be monitored via quarterly claims and monitoring visits
- Beneficiaries must inform the LAG if there are any material changes in a project. The information supplied will be assessed and considered by the LAG, and depending on the circumstances the beneficiary may be asked to repay in part, or in full, any financial assistance paid.
- It is an applicant's responsibility to comply with any statutory requirements, which apply, to any works or services carried out, including local bye-laws, and the appropriate standards. Failure to do so may mean that financial assistance will not be paid.
- **equal opportunities:** There must be no inequality between women and men as well as other equality issues such as ethnic origin, religion or belief, disability, age, sexual orientation or geographical location.
- **Failure to meet project conditions:** If for any reason a beneficiary finds they cannot meet the project conditions of grant or agreed expected outcomes they must inform the LAG in writing **immediately**, submitting a full explanation of the position together with any relevant documentation. The LAG may find it is possible to agree revised outcomes and amend the conditions of grant, depending on circumstances.
- projects and measures should demonstrate that they are sustainable over the long term (eg, through their financial plan or business concept). Revenue-generating projects must demonstrate their profitability
- To comply with EU legislation, the applicant must retain all original documentation relating to the implementation of the project and its financing, following the final payment made under the Programme and **until 31st December 2019**. Failure to do so will result in the closure of the project and full repayment of LEADER grant.

Responsibility of the Applicant

All applicants are responsible for ensuring:

- The projects sound financial management.
- The implementation, reporting, monitoring and control of the project, and specifically for ensuring no double funding for the approved activity.
- The availability and retention of all project documentation with a clear audit trail through to bank statements.

Additional Responsibilities of Lead Applicant. Where there is a partnership project a lead applicant will be appointed by the group. The lead applicant is responsible for ensuring:

- A clear relationship between partners in the project including arrangements for payments and monitoring
- That all expenditure presented by and declared on behalf of the partners in the project has been incurred and defrayed for the purpose of implementing the project, and that it has met all the other rules with regard to LEADER
- Provision by other partners in the event of any request for information etc. by the Scottish Government as Managing Authority or its agents.

Grant

Funding restrictions

- projects with grant eligible costs of less than £1000 will not be funded.
- existing core staff costs will be prohibited, must be project specific
- the following expenditure is not eligible for grant funding: general running and overhead costs of an organisation which are not directly related to the project
- no funding will be granted for activities which are statutory obligations of regional corporate bodies (Council, SEPA, SNH etc)
- prize money is not eligible for funding
- professional fees for architectural, landscape design and engineering services can only be funded up to a maximum level of 10% of the total building costs. Up to an additional 5% may be granted for projects with a particularly intensive planning element, e.g. work on protected buildings or technically complex projects

Other provisions

- there is no statutory right to receive funding. Funding is at the discretion of the LAG and the support of the EU must be explicitly acknowledged in awards of grant
- where LEADER support involves grant-funding for building projects and land purchase it is expected that the project will deliver the originally funded intention for 10 years after its completion, and for 5 years after completion or delivery for all other types of tangible items

Project Income

Projects are intended to be sustainable and this will inevitably mean that some “profit” is generated and retained for the future running of the project. This is acceptable where the “profits” will be spent on community benefits – either through the continuing project itself or on some other project that benefits the same community.

What is not acceptable would be the situation where the profit is retained and used to offset the beneficiary contribution/match funding element of the project. If this were to happen then the income generated and retained during a project’s life from, for example, sales, rentals, services, or other equivalent receipts representing income, which might reduce the net cost of projects and thereby the amount of LEADER funding required for the project in question, would be deducted from the project’s eligible expenditure and no later than at the final claim stage. **There are powers to recover money with interest if necessary.**

Winding Up

In the event of an applicant community proving insolvent (or prospect of) the LEADER Project Officer should be advised as soon as possible. Filed copies of project documents should be retained. **On no account should documents be destroyed without the prior consent of the Managing Authority.**

Application

Applications should always be completed on a PC then printed and signed and returned to the address below **no later than 5pm on the deadline date**. You should also email a copy of your completed application to leader@eastlothian.gov.uk

It is not obligatory that statutory consents be obtained before an application is submitted. It is recommended that applicants undertake an initial consultation with their local Planning Department prior to submission of an Application Form.

Match Funding

- Evidence of match funding must be provided prior to the issue of the final approval letter offering LEADER grant. Examples of this are committee minutes, budgets, offers of grant from funders, bank statements, etc. If match funding has not been finalised approval can be given subject to confirmation but no work can be started until the LAG is satisfied that all funding is in place
- Other European grants **cannot** be used as match funding
- How much match funding is needed?

Up to 50% can be from LEADER (or max £50,000)

45% from Public/ Private/ In-kind contribution (see in-kind contribution below)

5% from the Applicant

In-kind contribution

- In kind contribution may **not exceed 20%** of the overall cost of the project
- *Applications involving in-kind contributions will be dealt with on a case-by-case basis. Please contact the Project Officer for further information.*

Contributions by way of property should be valued by a qualified Valuer. Contributions by means of goods or services should be quantified and signed as correct by a suitably qualified person. These should be checked wherever possible against costs for similar goods or services and against standard costs wherever possible. Standard costs are available from SGRPID, FCS and SNH offices for certain works. We are seeking to verify that property good or services provide value for money e.g. 10 hours labour by a volunteer matches up to equivalent time/cost for a person skilled in undertaking the job.

In the case of volunteer time spent directly relating to projects, the relevant individuals should be unpaid. This therefore excludes the vast majority of organisations currently gaining assistance from LEADER (i.e. local enterprise companies, local government, tourism bodies and so on) but focuses on community and voluntary sector bodies in particular.

All in-kind contributions should be costed in some way, using either an accepted market value for materials or goods, or a notional salary for individuals' time. Suggested notional salary levels in relation to different roles or tasks, expressed both in terms of annual salary and hourly rates, are provided below. These figures are based on average salaries (including national insurance contributions) for these roles or tasks within Scottish public sector organisations, particularly Local Enterprise Companies and Councils.

In-kind contribution suggested notional salary levels

Role	Suggested notional full-time salary	Suggested notional hourly rate
Project Manager	£30,000	£16.00
Project co-ordinator/animateur	£22,000	£14.00
Project researcher	£22,000	£14.00
Project administrator	£15,000	£8.50
Manual worker (skilled)	£22,000	£14.00
Manual worker (unskilled)	£12,000	£6.00

These notional job types should cover the majority of roles involved in LEADER projects. If, however, new roles and notional salary rates are involved, these should be agreed with the Project Officer in advance of project approval.

Only the notional costs of individuals *directly* involved in the project in question should be costed. The time of all committee members spent discussing a project or committee meeting would not be considered eligible, for example.

Eligibility rules preclude the value of EC financial assistance exceeding the actual cash component of projects. In other words, **the proportion of the LEADER contribution is limited to the proportion of the cash match funding contributions.**

It is essential that in-kind contributions can be accurately verified and stands up to audit scrutiny. These auditable records should accurately demonstrate the actual time or costs involved and may involve keeping signed time sheets and signed valuations, for example. In addition, an independent verification is required to state that the relevant work has been carried out to a similar standard as would be provided by a paid employee.

Importantly, the eligibility rules preclude the value of EU financial assistance exceeding the actual cash component of projects. In other words, the proportion of the EU contribution is limited to the proportion of the cash contributions. Reference should be made to the examples given below when calculating the EU contributions: the Scottish Government should be consulted if in doubt.

Expenditure

Eligible Expenditure

Projects fall into two categories: -

Capital- Infrastructure such as Building works or material goods and

Revenue - Cultural, educational, historical, social enterprise staff costs

The above are given as examples and are not definitive. Further examples are given below.

CAPITAL PROJECTS

Given the objectives of LEADER and the level of financial resources available, projects encompassing substantial physical works are not generally common. Many of the expenditures outlined below, therefore, are unlikely to feature in a LEADER project. There may, however, be elements within each of the headings, which could be part of an application. The list of eligible expenditures is useful as a source of reference.

Site/building acquisition – expenditures relating to the purchase of an area of land or building as part of a larger scheme are eligible up to a maximum of 10% of other eligible costs. Additional expenditures in excess of the 10% maximum should be classified as ineligible.

Example:

	£
Total cost of project	50,000
Land acquisition costs	10,000
Other eligible costs (total costs – land costs)	40,000
Eligible land acquisition costs = (10% of 40,000)	4,000
Total eligible costs (other eligible costs + eligible land purchase costs)	44,000
Total ineligible costs	6,000
LEADER grant @ 50% * £44,000	22,000

Professional fees – both pre-contract professional fees, e.g. design and post-contract professional fees, e.g. project management can be included as eligible expenditures. As a rule, professional fees for architectural, landscape design and engineering services can only be funded up to a maximum level of 10% of the total building costs. Up to an additional 5% may be granted for projects with a particularly intensive planning element, e.g. work on protected buildings or technically complex projects. Exceptions to these rules may be permitted where the applicant can fully justify the level of fees sought in relation to the proposed physical works.

Site preparation – expenditures relating to the works necessary for the preparation of an area of land for further development are eligible, i.e. site investigation, decontamination, demolition works and other activities related to site clearance.

External services – the provision of external services to a building or area of land including gas, electricity and telecommunications are eligible, where the works are part of a larger development. In addition, road improvements are permitted as eligible provided they are within

the designated boundary of the site. Road improvements of a more general nature or where access is being provided to a site, rather than within it, are not normally regarded as eligible.

Internal services – the installation of utilities such as heating, lighting and telecommunications within a building are appropriate eligible costs. Other internal physical works necessary to prepare a building for use in a LEADER project are eligible, for example, to provide access for individuals with disabilities or other special needs.

Physical building works – eligible expenditures comprise a range of costs associated with construction of new premises and/or refurbishment of existing premises, including internal subdivision of existing premises.

New provision and improvement of premises must relate to buildings, which have an industrial, business or training use. Investment in premises relating to statutory education, health, social work etc are not eligible – in the training field, for example, the new or improved facilities must relate to business or vocational training that contributes to the economic development of the rural area.

Fixtures and fittings – the purchase of items such as furniture and kitchen utilities are normally regarded as **ineligible** except in projects where such items are deemed as essential to the delivery of the LEADER project, for example, the purchase of a PC to be used to deliver a training course. In such cases, the onus is on the applicant to fully justify the need for the proposed items of equipment. Each project is treated on its own merits.

Environmental improvements and enhancements – this category comprises a range of physical works which may be related either to the development of a specific building or area of land, or as part of a more general programme of improvements.

Eligible expenditures include the following:

- hard and soft landscaping where the works contribute to a larger cultural/tourism/community project or scheme
- other landscaping and environmental improvements where it can be shown that the improvements improve the economic position of the area, e.g., reduce areas of derelict land;
- enhancements to building facades and business premises, particularly in tourism, conservation or community regeneration areas;
- improvements to footpaths, walkways, cycle paths, piers, jetties and pontoons including related signage, waymarking and visitor/user information;
- street furniture and lighting; traffic calming measures and related works to improve flows of pedestrians and traffic;

As a rule, expenditures on works of sculpture and other forms of civic art are not eligible for LEADER support. Projects comprising improvements to general security and safety of towns and villages such as Closed Circuit Television (CCTV) are also ineligible.

Provision/improvement of community/visitor/cultural facilities – a range of capital costs associated with improving visitor attractions and community facilities are eligible for LEADER

grant. Works, which comprise largely expenditures on necessary repairs, are not eligible for support.

The types of works normally classified as eligible are as follows:

- new or extended heritage centre, gallery, museum or theatre infrastructure which enhances the experience for visitors;
- new or extended community facilities
- visitor interpretation boards, signage and related tourist information facilities.

All projects should be designed to contribute to attracting visitors to the area or improving the quality of life for local community; sports and leisure facilities for predominantly local use are ineligible, although expenditure on sports facilities where the primary function is the training of people in the leisure and tourism industries may be considered eligible for support.

Feasibility studies – expenditures on commissioned research and feasibility studies, which precede the implementation of a larger LEADER project, are eligible. Detailed information should be provided on how the composition of the study relates to the future project, including the forecast benefits.

REVENUE PROJECTS

The majority of LEADER projects are accounted for by revenue projects. As a general principle, eligible costs are only those which directly relate to the delivery of the project or scheme. It is not appropriate to offset existing costs or expenditures against LEADER funds. The following guidance is provided on the specific elements of expenditure.

Staffing - staffing costs are eligible for personnel directly engaged in a project, whether full or part time. This includes costs for direct activity essential to the delivery of the project. On that basis, reasonable and justifiable costs defrayed in managing and delivering appropriate activities are eligible, provided that applicants can justify the involvement of staff in supported activity and evidence this, for example, in the form of timesheets. **We will not pay grant in respect of the running costs of an organisation. Only the real costs defrayed by the organisation in delivering eligible activity, as set out in the approved application will be accepted for funding.**

Scope - essentially the focus is on the type of activity undertaken to implement the project. Eligible expenditure should be for staff involved directly in project activity. This means activity explicitly set out in the approved application.

This includes:

- training to beneficiaries
- advisory/training services to business
- appraisal of grants/access to finance applications and management of successful applications
- research activities in funded research projects
- development of materials/courses for the project
- essential software programming for the project
- direct project management including financial management
- cleaning, where directly associated with and duly justified by the project
- refurbishment of premises directly associated with the project [NB maintenance is ineligible]
- Project delivery – staff costs, materials, goods and services

and excludes:

- pre project development
- application for LEADER funding - however some projects supported may be the initial stages of a larger project where an application for ERDF/ESF is integral to the implementation of the larger project
- human resources associated with the project
- non project costs involved in the procurement of goods or services required
- IT equipment administration/upkeep, unless there are special requirements associated with the project (e.g. dedicated IT equipment specially purchased for the project)
- costs associated with the project's future
- the management of the organisation running the project

Applicant's requirements - the job descriptions of all staff employed to deliver elements of the project should accurately summarise their contributing activity. Where staff are involved in the project for only part of their working time, they must complete timesheets (vouched by a line manager) throughout the project's life, showing the division of time between project and other activity.

All staff costs included in a project should be in accordance with the following conditions:

- Staffing costs should include employer's National Insurance and Superannuation contributions (**commissions and benefits in-kind – such as bonuses – are ineligible**).
- Only **actual costs** can be included in claims.
- There should be a clear audit trail for staff costs from time sheets through payroll records, via BACS to the bank statement or equivalent.
- Where staff are also engaged in non-project related work, only the portion of staff costs directly attributable to the project should be shown and must be backed up by timesheets or other time recording systems, showing project activity where time spent on eligible activity can be clearly demonstrated.
- Where staff are costed at an hourly rate, the calculations must be acceptable, i.e. the total staff cost divided by the number of hours worked per year. Hours worked are contracted hours and, if appropriate, include paid holidays – costed on the basis of the contract(s).
- Where staff are part-time or have joined / left the organisation during the year, a pro-rata rate should be calculated.
- Recruitment costs are eligible provided the staff are directly employed for the project.

- Training – must be project specific
- Consultancy fees and sub-contractor fees should not be included in staff costs.

Consultancy Fees and Contractors Charges - costs for work done by an independent consultant or sub-contractor will only be eligible if the work is essential to the project and the costs are reasonable: all consultancy fees and sub-contractors costs must be tendered. At least 3 quotes will be required for audit purposes.

Where consultancy fees and contractors charges have been subject to an approved tender process, the market rate resulting from that exercise may be included for support, provided the original tender is no more than 3 years old.

Costs associated with payment of consultants that provide support in completion of application/claim forms and with management fees are not eligible. However although management fees associated with the forms are not eligible, project management by the consultants is an eligible expense since this is directly associated with the project.

Project Evaluation Fees - costs for independent project evaluations will be eligible if the work is essential to the project and/or a condition of grant. (See consultancy fees above).

Staff Travel - staff travel costs must be directly related to and essential for the effective delivery of the project. Certified travel claims must be retained. Actual costs up to a maximum of mileage at the public sector rate per mile (or comparable) or economy class travel on public transport must be claimed.

Premises Costs - this should include actual cost of rent, rates, heat, light, cleaning and service charges associated with the premises where it can be clearly demonstrated that these are directly related to the delivery of the project and are additional, i.e. **project expenditure over and above existing operating costs, e.g. if you have to rent additional premises.**

If only a part of the premises is used for the project then the amount charged should be apportioned accordingly based on, for example, floor space occupied. In this case calculations should show the actual annual rental cost to the applicant, the period of project usage, the proportion of the building used for the delivery of the project and the resultant eligible rental cost.

Notional rental charges where the applicant owns the premises, or occupies premises rent-free, are ineligible.

Purchase/Leasing of Equipment – the purchase of small items of, either new or second hand equipment may be eligible for LEADER purposes, provided that the equipment is integral to the delivery of the project. To be considered eligible, equipment should not be purchased prior to commencement of the project and the residual value subtracted from the initial purchase cost to give a cost for the lifetime of the LEADER project. HM Customs & Revenue rules regarding depreciation apply. Hire purchase, extended credit agreements and finance leases for eligible capital purchases may be considered eligible. Full details of all agreements should be provided. The ownership of the goods being financed should fall to the beneficiary to be eligible for support

Financing of Capital Costs – hire purchase, extended credit agreements and finance leases for eligible capital purchases may be considered eligible. Full details of all agreements should be

provided. The ownership of the goods being financed should fall to the beneficiary to be eligible for support.

Insurance - similar principles apply. Insurance of buildings, contents and for public indemnity are eligible provided it can be clearly demonstrated that these directly relate to the delivery of the project and are additional e.g. where a lease of premises required for the project requires that the building and contents are covered by insurance. If the building already exists and space was made available for the project then insurance cover is ineligible since it should already be in place.

Marketing - this heading may include costs related to appropriate and proportionate aspects of marketing specific to the project on, for example, design and production of marketing materials, facilitation of appropriate conferences and seminars, and targeted advertising campaigns.

Other Eligible Project Costs - this should cover software, 'consumables' and other reasonable costs **where it can be clearly demonstrated that these are directly related to the delivery of the project** and should not exceed 20% of total **approved** eligible costs. In the event of a project under spending, approved costs will remain the baseline for establishing the eligibility of other costs.

Consumables may include items such as the actual cost of teaching materials, telephone, postage, stationery, and other costs, which the applicant can demonstrate are essential to the effective delivery of the project and where an itemised audit trail can be provided. Items that do, or would normally, feature on an organisation's asset register or would be, or are later, capitalised in the organisations accounts are ineligible. However, depreciation of these items is potentially eligible.

Dependent Care – Provision for dependents to allow participation in projects

- Actual payments made for nursery provision (running costs only)
- Actual payments made for care for other dependants

Childcare Costs – where participation at a seminar or training course is directly dependent on a contribution towards childcare expenses, then this expenditure may be considered eligible. A detailed justification is required for such a contribution and individual proposals would be treated on a case-by-case basis.

Repairs and Maintenance - these costs must relate to equipment specifically included as eligible items of expenditure within the approved application and within the lifetime of the project (i.e. start and finish date). Repairs and maintenance are only eligible for support in the following circumstances:

- Where the equipment has been accepted as eligible for depreciation under the project, or
- Where the equipment has been accepted as eligible for leasing and the applicant is responsible for repairs and maintenance.

Non-Recoverable VAT – it is recognised that some applicant organisations are unable to recover VAT and are at a disadvantage to those who can. To rectify this, VAT can now be claimed as an eligible cost, where the applicant is an exempt trader, the VAT is charged on an item which is otherwise non-deductible. An exempt trader is defined as an organisation that is not required to charge VAT to customers for the goods or services, which they provide, e.g. a small voluntary organisation.

In-kind Contributions – the supply of land, property, long term equipment, raw materials and unpaid work provided by volunteers as part of the direct delivery of a LEADER project **may** be considered as eligible costs. Contributions which are “in-kind” must be able to be assigned a monetary value (e.g. based on standard hourly labour costs) and must involve a logical audit trail. A detailed justification for proposals involving in-kind contributions should be provided by applicants. It should be noted that the level of EU financial assistance towards in-kind costs should not exceed the level of expenditure actually incurred. In other words, project promoters cannot receive an EU contribution greater than the value of the actual costs incurred.

Further details are outlined in Section 7 below. It is recommended that applications involving in-kind contributions are dealt with on a case-by-case basis and preferably considered directly by the Local Action Group.

- Contributions which are in-kind must be able to be assigned a monetary value (e.g. based on standard hourly labour costs) and must involve a logical audit trail. All in-kind claims must be backed by timesheets for labour costs
- The supply of land, property, long term equipment, raw materials and unpaid work provided by volunteers as part of the direct delivery of a LEADER project may be considered as in-kind support. Applicants should provide detailed justification for in-kind contributions.
- It should be noted that the level of EU financial assistance towards in-kind costs should not exceed 20% of the level of expenditure actually incurred.
- In other words, applicants cannot receive a LEADER contribution greater than the value of the actual costs incurred.

Total Project cost	£1,000	Total Project Cost	£1,000
In kind contribution	£200	In Kind contribution	£500
LEADER (50% TPC)	£500	LEADER (50% TPC)	£500
Other Match funding	£300		
Total cash costs	= £500	Total Cash costs	= £400
LEADER	= £500	LEADER (50%)	= £500
OK		Not OK	can only pay out £400

Ineligible Expenditure

Applicants should include all project costs, including ineligible costs in applications and claims distinguishing clearly between the two! This list is intended as a point of easy reference.

Financial and Other Charges and Legal Expenses

Bank charges on accounts.

Costs of guarantees provided by a bank or other financial institution.

Financial charges.

Debit interest (other than expenditure on interest subsidies to reduce the cost of borrowing for businesses under an approved State Aid scheme), charges for financial transactions, foreign

exchange commissions and losses, and other purely financial expenses are not eligible for co-financing.

Service charges – arising on leases and hire purchase arrangements.

Costs resulting from the **deferral of payments to creditors**.

Costs involved in **winding up** a company.

Bad debts.

Fines, financial penalties and expenses of litigation.

Legal fees for advice, notary fees and the costs of technical or financial expertise.

Recoverable VAT

Recoverable VAT is not eligible whether or not the applicant elects to recover.

VAT does not constitute eligible expenditure except where it is genuinely and definitively borne by the final beneficiary. **VAT which is recoverable, by whatever means, cannot be considered eligible**, even if it is not actually recovered by the final beneficiary or individual recipient. The public or private status of the final beneficiary or the individual recipient is not taken into account for the determination whether VAT constitutes eligible expenditure in application of the provisions of this rule.

It is recognised that some final beneficiaries are unable to recover VAT. **Non-recoverable VAT can be claimed as an eligible cost provided their claim is substantiated by appropriate evidence from the organisations auditors or accountants**.

Staff Related Costs

- Staff costs that are not directly attributable to project delivery
- Training that is mandatory under statutory provision
- Redundancy payments
- Payments for unfunded pensions
- Maternity or sick pay

Other Ineligible Costs

- Expenditure defrayed outwith the eligible programme period, including site acquisition
- Related to research or studies carried out in respect of the project prior to the official project start date
- Volunteer costs – see eligible in-kind contribution costs
- Gifts and competition prizes
- Repairs and maintenance unless covered by the eligible cost description
- CCTV for town centres and / or as a stand-alone initiative
- Compensation for loss of office
- Costs of works being carried out as a statutory requirement.

Admin checks should include:-

For applications

- the eligibility of the project under application.
- compliance of the project with SRDP and LEADER rules, and in particular that the project implements the local development strategy.
- that costs are reasonable as judged against reference costs.
- the reliability of the applicant from previous experience or information
- checks with RPAC case officers, Structural Funds delivery partners, and local schemes to avoid irregular double financing. Evidence that this has been done should be recorded for audit e.g. a checklist signed off

For claims

- delivery of goods or services described in the project application
- verification of claimed amount through receipted invoices, cancelled cheques, or bank statements.
- Verification of claimed in-kind contributions such as property valued by a surveyor, signed timesheets from a suitably qualified person and/or through checking with Standard costs available from SGRPID, FCS or SNH for certain works. Also that in kind contribution does not exceed 25% of overall project costs
- that the project is the same as that applied for and for which LEADER support was offered
- for investment projects at least one site visit to verify that the project has been undertaken. This may be waived in cases where the investments are small, or where the risk of the investment not being carried out is low. The decision to do this and justification must be recorded by the LAG for audit purposes.
- VAT check to verify whether registered or not.
- Where Planning Approval or other statutory consents have been obtained prior to the submission of an application, any fees incurred will be deemed eligible if the LAG approves the project.

Receipts

Only correctly receipted invoices will be acceptable in support of a claim for grant assistance. To be acceptable, the original invoice must show:

- The name and address of the supplier or contractor.
- The name and address of the customer.
- Details of goods and services purchased and supplied, separately costed in relation to approved measures, and including VAT where appropriate
- The date of supplying the goods and/or services
- The total amount of the invoice
- The amount paid by the customer in figures or words (where this is different from the total amount of the invoice, information must be provided to explain the difference, for example: amount of any discount given, or credit or hire purchase charges levied)
- The signature and stamp of the person receiving payment on behalf of the supplier or contractor
- The date and method of payment (unless these are self-evident from an accompanying document, which may have been provided, for example a copy of the cleared cheque). Where the cost of carrying out an approved measure is in excess of £5,000 (five thousand pounds), a properly receipted invoice and evidence of payment for example; a copy of the cleared cheque/bank statement/banker's letter of confirmation must be submitted.

Note: Banks may charge you for this service.

- Where an invoice over £500 (five hundred pounds) has been settled by cash additional evidence of paying, such as a separately numbered receipt from the supplier's accounts or accountant's statement **must** be submitted.

Note the LAG reserve the right to seek such additional information, as it considers necessary in support of a claim for payment.

Original invoices should be retained by LAGs for a period of six months following payment of the claim, after which period they will be returned to the claimant. Where match funders also require original invoices these should be stamped as seen and copied. Beneficiaries should be told to contact the LAG Programme Manager if they require the original invoices within the six-month period. Photocopies of the vouchers must be retained by the LAG as evidence for audit purposes for the duration of the SRDP programme.

Where new investments replace existing facilities, LAGs must be informed of the re-sale value of the redundant item or facility. In addition, any insurance or compensation settlement received or expected in respect of an item, which is the subject of a claim, must also be notified.

Financial assistance should be based on expenditure incurred, provided this does not exceed the limits set when the proposed project was approved and all work/goods or services have been completed/delivered to an acceptable standard. LAGs should only consider revisions to costs under exceptional circumstances, eg specialist equipment no longer available.

Publicity

All publicity should be forwarded to the LEADER Project Officer for comment before going to press to ensure accuracy of information and appropriate acknowledgement

Publicity Requirements.

It is a compliance requirement and a condition of grant to ensure appropriate acknowledgement of LEADER (EU) funding in all projects. **Project sponsors should note that failure to comply with the publicity regulation could result in the freezing of grant payments and/or the repayment of monies already paid.** Listed below are the main methods of publicising a project;

- Prominent site signage during works
- Permanent plaque on premises
- Acknowledgement in all press and media releases
- Acknowledgement in all project documentation
- Website

This section provides partners with details of the specific publicity requirements appropriate to any funding administered through the LEADER Programme in Scotland.

It is a condition of grant that the Partnerships ensure that there is adequate public acknowledgement of the assistance from LEADER to increase awareness of their contribution to economic development. The usual form of acknowledgement incorporates the LEADER logo, EU and Scottish Government logos, all of which are downloadable from the website www.scotland.gov.uk/srdp or from your LEADER Project Officer.

How to Acknowledge LEADER Funds

When acknowledging the assistance of the LEADER money to a project and/or group of projects project promoters should use the European stars emblem and standard wording plus the LEADER and Scottish Government logos and LAG name. There is also a distinction to be made between ongoing projects and/or those under construction and completed projects as follows:

For ongoing projects and/or those under construction, e.g. temporary site signs, recruitment advertising, scheme guidelines, posters etc.

THIS PROJECT IS BEING PART-FINANCED BY THE SCOTTISH GOVERNMENT AND THE EUROPEAN COMMUNITY [LAG Name] LEADER 2007-2013 Programme

For completed projects, e.g. permanent plaques, annual reports, long term publicity materials and brochures etc.

THIS PROJECT WAS PART-FINANCED BY THE SCOTTISH GOVERNMENT AND THE EUROPEAN COMMUNITY [LAG Name] LEADER 2007-2013 Programme

When to Acknowledge LEADER Funds

LEADER funding should be acknowledged both during the implementation of a project and as a permanent record. The following are the most common forms of acknowledging LEADER involvement.

Site signs erected during the construction of a project should indicate LEADER assistance. The section of the sign reserved for LEADER acknowledgement should meet the following criteria:

- take up at least 25% of the total area of billboard;
- indicate the European emblem, the LEADER logo, Scottish Government logo and LAG with appropriate text; and
- the lettering used must be at least the same size as the lettering used to indicate the participation of any other project partners

In cases where a general site sign is not being erected, a separate sign acknowledging LEADER assistance should be provided.

Site signs should be removed no later than 6 months after the completion of the project and replaced, wherever practicable, by a **permanent plaque** incorporating the European, Scottish Government and LEADER emblems and appropriate text. Permanent plaques should be situated in a location accessible to the general public.

Annual reports, brochures, posters, application forms and other forms of **printed publicity material** about individual projects or programmes should include a clear acknowledgement of the assistance of LEADER in a prominent position. When other agencies' logos are used the European, Scottish Government and LEADER emblems should be at least the same size and proportion.

Press releases and/or **editorial features** should make explicit the involvement of LEADER. These should be forwarded to LEADER co-ordinators for comment before going to press to ensure accuracy of information and appropriate acknowledgement.

Media advertising including recruitment and property availability should include the Scottish Government, European and LEADER emblems and appropriate wording.

Furthermore, the organisers of any **openings or other events to publicise projects** that have received assistance from LEADER should ensure that all the required acknowledgements are made and that appropriate representatives of the European Commission and the relevant Local Action Group are invited to attend. Please contact the LEADER Project Officer for advice on the most appropriate persons for individual events.

Claims

- Up to 70% of the total grant award can be claimed before project completion.
- 30% of the grant award will be withheld until all conditions of grant have been satisfied and the project completed/ final claim submitted
- The grant will be payable in instalments on the submission by the applicant of a grant claim and progress report form certifying eligible expenditure has been defrayed.
- All payments made to projects will be via a BACS payment method
- If your project relates to building works where Planning Approval is required, you are required to submit a copy of the Completion Certificate with the final claim.
- All grant assistance must be claimed within two years of the Approval start date issued by a LAG
- A claim form must be completed 4 months after acceptance of the grant and conditions, and every 3 months thereafter. Forms should be submitted as directed by the LEADER Project Officer. Claims can be made more frequently, but the LEADER Project Officer must be advised of the applicant's intention to do so.
- **expenditure** – All payments must be supported by a fully transparent audit trail including transaction lists traceable through bank statements or such other verifiable means. All expenditure must be incurred and defrayed (ie left the bank account) before it is included in a claim
- **VAT**

If organisation/ group is VAT registered – **cannot** claim VAT

If organisation/ group is **not** VAT registered – **can** claim VAT

- Where it is not possible for original invoices to be submitted with claims, the final claim form must be certified by an independent accountant/auditor before submission, unless the LEADER Project officer has given a written exemption. The certification must confirm that the expenditure reported has been properly spent in accordance with the conditions of grant.

Time limit for claim

If Beneficiaries at any time become aware that they may not be able to meet the agreed time-scale, they must immediately inform the LEADER Project Officer. Should a beneficiary fail to claim for financial assistance within the time-scale set out in the approval letter from the LAG this may result in a beneficiary's claim being disallowed. If a project is liable to run for more than 2 years it should be split into separate phases. It would be permissible for the LAG to approve phased projects at the same time.

Failure to meet project conditions

If for any reason a beneficiary finds they cannot meet the project conditions of grant or agreed expected outcomes they must inform the LAG in writing **immediately**, submitting a full explanation of the position together with any relevant documentation. The LAG may find it is possible to agree revised outcomes and amend the conditions of grant, depending on circumstances.

condition of grant if any condition of LEADER is not complied with, or any statement made in connection with a claim for financial assistance is found to be false or misleading in a material respect, the LAG or Scottish Ministers may revoke the approval and recover any financial assistance paid.

If the project work has been carried out to a poor standard, or has been, or is being, unreasonably delayed, or is unlikely to be completed; or has in any way destroyed or damaged the natural beauty and amenity of the countryside; or the amount of expenditure included in the claim is excessive, having regard to the work or facility carried out; or the carrying out of the works or provision of the facility appears to frustrate the purposes served by assistance previously given or received from any other source, consideration should be given by the LAG to revoking the approval and recovering any financial assistance already paid.

Where a LAG or Scottish Ministers intend to revoke the approval, or reduce or withhold financial assistance, or seek repayment of financial assistance, beneficiaries will be given written notification of the reasons for the action proposed to be taken.

Overpayment of Grant

Any over-payment of grant must be repaid to the Tyne Esk programme on first demand or upon the applicant becoming aware that grant has been over-paid.

Withheld Grant and Repayment Of Grant

The Tyne Esk programme reserves the right to withhold any or all of the payments and/or to require part or all of the grant to be repaid, if they consider that any of the following has occurred:

- a substantial, or material change in the nature, scale, ownership, costs or timing of the project;
- if project activities funded by the grant occur, either wholly or in part, out with the eligible area of the Tyne/Esk LEADER Programme;
- the future of the project is in jeopardy;
- there is unsatisfactory progress towards completing the project;
- there is unsatisfactory progress towards meeting the forecast outputs specified in the application;
- when any of the information provided in the application for grant or in supporting or subsequent correspondence is found to be substantially incorrect or incomplete;
- if the applicant receives grant from other EU funding sources or public bodies towards project costs intended to be funded by this offer letter, unless this grant was taken into account in making this offer;
- if the assistance exceeds EC Aid limits to the extent that any grant paid should not have been paid;
- if the EC's authorities judge that any grant paid should not have been paid;
- if a decision by the EC or by the European Court of Auditors requires payment to be withheld or recovered;
- if the applicant fails to comply with any condition of grant.

- if the grant is used for purposes other than those specified in the application during its economic life. The economic life of the project may be assumed to include:
- the depreciation period under standard accounting rules for capital assets;
- the duration of a revenue project. This may be the period over which support is offered, up to the last payment of grant and achievement of the forecast outputs. It may be longer, however, if the project is expected to continue without assistance after the last payment is made;
- the auditable lifetime of a project, i.e. to 31st December 2019 The Tyne Esk programme and the Scottish Executive accept no liability in respect of loss attributable to any delay in the payment of claims e.g. if the EC withholds the balance of the final year's instalment pending the satisfactory closure of a Programme, or, to any suspension, reduction or cancellation of grant, including losses due to exchange rate fluctuations.

Monitoring

The Tyne Esk LEADER Programme, the Scottish Government, the EU, the European Court of Auditors or their representatives has the right to inspect the project at any time. They may require further information to be supplied and to be provided with copies of such documents or items, which may include information concerning the financial position of the applicant.

The timescales are designed to ensure the submission of detailed and accurate information about the progress of projects approved for support. The range of information to be provided for projects includes:

- Quarterly claims
- Project progress reports
- Achievement of interim or final targets
- Publicity requirements
- Regulatory integrity
- Financial probability
- Monitoring Visits
- Other monitoring information

At each stage of the process, the LEADER Project officer will take the necessary action to engage with the project sponsor as set out in this guidance note. Only where project sponsors fail to meet the timescales and produce satisfactory information and justification, will withdrawal of grant be required.

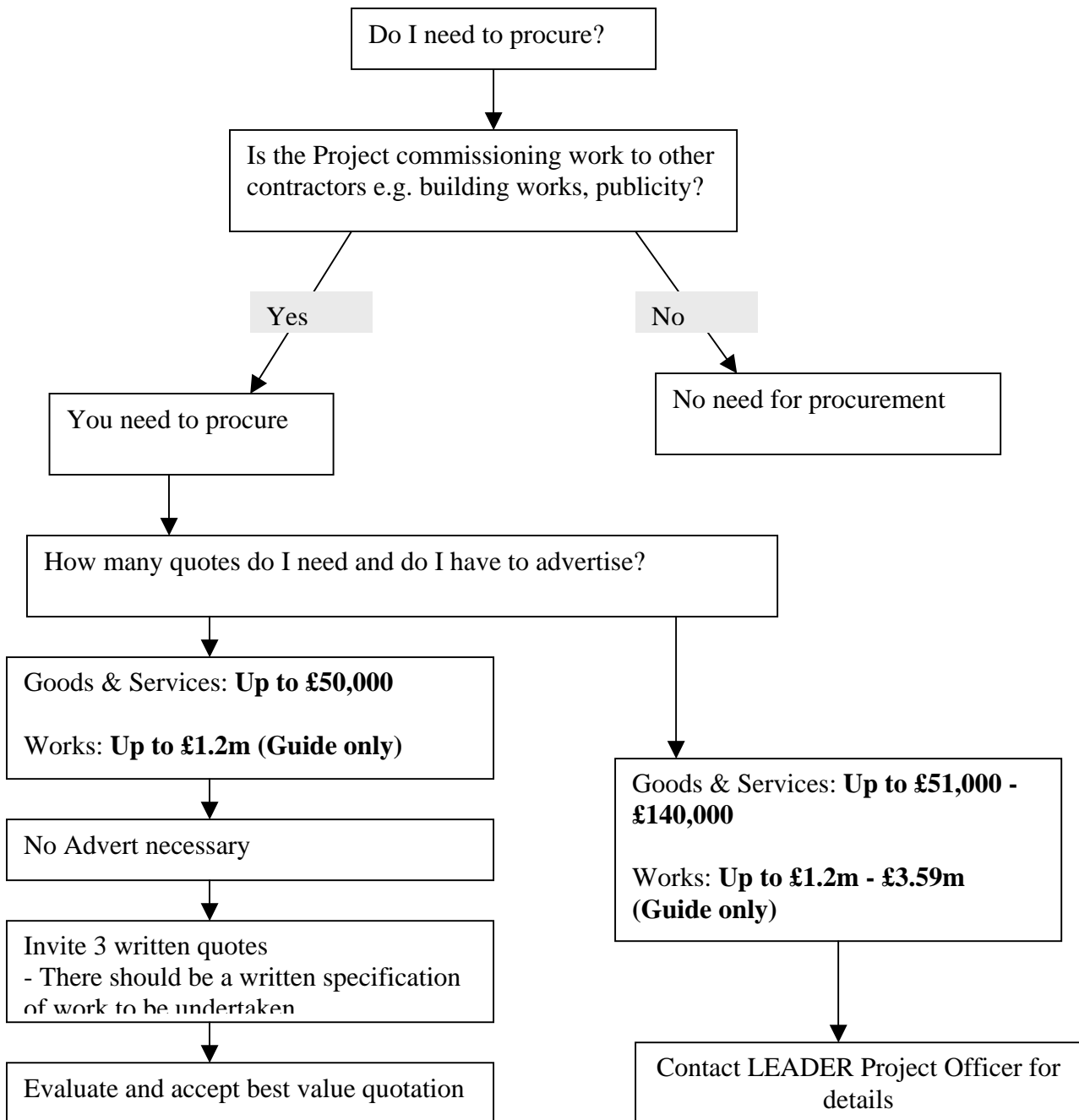
Significant changes to projects can also have an impact on the planned outcomes of projects; it is important that the LEADER Project officer understands at as early a stage as possible the nature of the significant changes. Changes to projects must be submitted in writing to the LEADER Project Officer for consideration and approval by the Local Action Group.

Target Groups

Definition of the Target Groups

Target Group	Summary of Rationale
Women	Women are particularly affected by the fragility of part-time work and, for example, difficulties in accessing childcare and other services in the rural area.
Young people (aged 14-24)	There is a mixed picture of educational attainment and a projected decline in the proportion of young people in the area.
The unemployed and, specifically, the underemployed (which we define as individuals who work on a part-time and/or seasonal basis and who would wish to increase their hours and/or duration of employment)	Underemployment is a particular feature of the make up of the business base and the seasonal economy
Micro businesses (those with less than ten full-time equivalent employees)	Micro-businesses can make a significant contribution to rural economies but are particularly fragile, particularly in the early stages of their development.
Older people (aged 60+)	A growing part of the population who are sometimes seen as a problem for society but should actually be seen as an asset in relation to issues such as voluntary work and community capacity.
Disabled people (this will not be confined to people who are registered disabled but will include people whose lifestyles and economic chances are constrained by a limiting condition).	This group faces particular challenges in relation to employability and service access in the rural context.
Migrant workers and their families	Migrant workers represent both opportunities and threats in relation to social cohesion.

Procurement



If you are unsure if you need to procure or would like advice on procurement please contact the LEADER Project Officer

Data Protection

The Scottish Government is bound by the terms of the Data Protection Act 1998, the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 and a requirement under the Rural Development Regulation regarding the release of information.

It is the policy of the Scottish Government to release information about the amounts of grant and subsidy for the new Single Farm Payments Scheme and the Scotland Rural Development Programme 2007-2013. LAGs and Scottish Government will process personal data we receive in line with the Data Protection Act 1998.

The data provided in the LEADER application will be used primarily for the purpose of processing and evaluating the application, which may involve the disclosure of personal data to a LAG. However, personal data may also be used subject to the safeguards of the 1998 Act for purposes connected with:

- Monitoring and evaluation of LEADER and the Scottish Rural Development Plan (SRDP);
- Administration of the Common Agricultural Policy;
- The production and safety of food;
- Management of land and other environmental controls;
- Provision of services to businesses;
- Animal health and welfare; and
- Occupational health and welfare.

It may be necessary for data to be passed (when necessary for these purposes) to other bodies. For example to HM Revenue and Customs for import or export purposes, or to local authorities. Data may also be used for statistical purposes, not identifying individuals, which may reduce the need for some statistical data collection. It may also be used, where necessary, to comply with the Freedom of Information (Scotland) Act or the Environmental Information (Scotland) Regulations noted above.

Retention of Documentation

To comply with EC legislation, the applicant must retain all original documentation relating to the implementation of the project and its financing, following the final payment made under the Programme and **until 31st December 2019**. Failure to do so will result in the closure of the project and full repayment of LEADER grant.

Scoring System

Scoring of Applications

There are 4 categories of decision:

- Approve
- Approve subject to conditions
- Deferred
- Declined

How are the applications scored?

The Local Action Group (LAG) and the LEADER Project Officer assess applications under the following criteria:

Scoring criteria	Scored by	Achievable Points
Strategic integration	LEADER Officer	15
Evidence of demand	LAG	10
Added value	LEADER Officer	10
Economic impact	LEADER Officer	10
Project management/ risk	LEADER Officer	5
Innovation	LAG	15
Equal opportunities	LAG	10
Community involvement	LAG	15
Sustainability/exit strategy/ risk	LAG	10
Environmental impact	LAG	15
Transferability	LEADER Officer	5
Target Groups	LAG	5
Partnership Working	LEADER Officer	5

Application Score

An average amount is taken from the LAG's scores and is added to the LEADER Project Officer Score and this results in a total score for the project.

Example:

Average LAG Score: 56

LEADER Project Officer Score: 36

Application Score: $56 + 36 = 92$

There is a quality threshold of 80 for the Tyne Esk LEADER programme. If a project obtains less than 80 it will most likely be declined or deferred.

Timeline for projects

Application Deadline	Time Limit
Applications should always be completed on a PC then printed and signed and returned to LEADER Project Officer no later than 5pm on the deadline date . You should also email a copy of your completed application to leader@eastlothian.gov.uk	
Local Action Group (LAG) Assessment Meeting	
The LAG has up to 25 days to send their scores to the Project Officer. During this period the Project Officer can ask the applicants for additional information regarding their project	25 days
The Assessment Meeting will take place a month after the application deadline.	30 days
Projects will be notified of the Programmes decision the day after the assessment meeting	1 day
Approval	
Following approval a letter of offer will be issued. Signed acceptance to be returned to programme.	20 days
If signed letter of acceptance is not returned and no suitable justification for the delay is provided, a reminder letter will be issued by the programme	10 days
If letter is still not returned and no justification provided, the Project Officer will refer to the next meeting of the Local Action Group for decision on withdrawal of offer.	
First Grant Claim	
A first claim must be submitted within 4 months of the date of acceptance of letter of offer as a minimum . Applicant may submit a claim before this time.	4 months
If claim not submitted and no suitable justification for the delay provided, reminder letter issued by LEADER Project officer, further period for return.	10 days
If claim still not submitted and no justification provided, further 5 days.	5 days
If claim still not submitted, project reported to next meeting of Local Action Group for appropriate action.	
Subsequent Grant Claims	
Claims must be submitted every three months thereafter until the project is completed. Applicants may submit claims on a more frequent basis with approval from the Project officer.	

Project Payments	
Up to 70% of the total grant award can be claimed before project completion.	
30% of the grant award will be withheld until all conditions of grant have been satisfied and the project completed	
All payments will be processed via a BACS system. This can take up to 30 days to process	
Final Claim	
A final claim should be submitted within 4 months of the penultimate claim. If this is not possible, the LEADER Project Officer must be provided with an explanation. All projects must provide a final claim in order to be valid. Failure to do so may lead to the holding of payment or withdrawal of grant	
Additional Conditions	
If any claim is declared invalid, the LEADER Project Officer will contact the applicant to request amendments. Period for re-submitted claim is 10 days. If non return suitable justification to be provided	10 days

Glossary of Terms

EAFRD	European Agriculture Fund for Rural Development
ERDF	European Regional Development Fund
ESF	European Social Fund
EC	European Commission
EU	European Union
FCS	Forestry Commission Scotland
LAG	Local Action Group
LEADER	Liaison Entre Actions de Développement Economique Rurale
LEC	Local Enterprise Company
MA	Managing Authority
RDC	Rural Development Contract
RDR	Rural Development Regulation
RPAC	Regional Proposals Assessment Committee
SAF	Single Application Form
SCVO	Scottish Council of Voluntary Organisations
SE	Scottish Enterprise
SEPA	Scottish Environment Protection Agency
SGRIPD	Scottish Government Rural Inspections and Payments Directorate
SMEs	Small Medium Enterprises
SNH	Scottish Natural Heritage
SRDP	Scottish Rural Development Programme