



## Frequently Asked Questions

### What is the difference between LEADER and LAG?

LEADER began life in the early 1990's as a mechanism to deliver rural funding. Its name originated from a French acronym "Liaison Entre Actions de Developpement de l'Economie Rurale" meaning "Links between actions for the development of the rural economy". It is the Local Action Group (LAG) that acts as the mechanism for delivering the LEADER approach to rural funding.

### When does the grant funding become available?

The 2015-2020 Rural Development Programme for England has now been launched. Please contact us if you have a project idea as we can help support the development of eligible projects now. Please get in touch with the Programme Management Team on 07826 907361 or 07803 506909.

### Am I in the LAG (LEADER) area?

Please check if you fall within our LAG area [here](#) .

### How much can I ask for?

Grants will typically be limited to a maximum of 40% of the project's total eligible costs. However some types of projects can get higher rates. For more information please read the [Applicant Handbook](#) .

### Does LEADER only pay for capital items?

The design of the funding programme is more suited to capital items and it is investment in capital that tends to achieve long-term tangible benefits. However, there is a possibility of supporting short-term revenue items but these would normally be associated with the start-up of a new project. The maximum duration for any funding is 3 years and for revenue payments to be supported there must be a clear exit strategy that shows how the benefits will be long-lasting or how the project will continue without having to perpetually rely on grant aid.

### Who is eligible?

New or existing small and micro businesses, community groups, farmers and land or forestry owners within the LAG area are eligible. For more information about who can apply under each National Priority, please read the [Applicant Handbook](#) . Most proposals are constrained to small and micro businesses that are defined as having no more than 50 employees, with a turnover or balance sheet of no more than €2 million. If in doubt, please contact the Programme Management Team 07826 907361 or 07803 506909.

### **As a shop start up, can you fund stock?**

No. Anything funded through LEADER must be recoverable in 5 years' time.

### **Can we apply for funding after we have spent it?**

No. Any expenditure must be agreed in advance and must be spent in accordance with your agreement contract. You must not purchase anything specifically related to your grant application until your agreement contract has been received, signed and dated. In addition, all LEADER grant claims are paid in arrears on receipt of paid invoices. This will have an implication for your project's cash flow and you must therefore ensure you have sufficient funds in place to pay for the project costs until grant payments are received.

### **Is LEADER funding appropriate for feasibility studies?**

No.

### **What are the submission deadlines for applications?**

Our timetable is available to download [here](#) and includes project application submission deadlines and LAG meeting dates. All Outline Applications submitted to the LAG will be reviewed at one of the regular LAG Forum meetings (held bi-monthly) at which the LAG Forum will endorse or reject the applications. Successful projects will be invited to Full Application to be considered (and hopefully approved) by the LAG Executive Committee. Please refer to the [Applicant Handbook](#) for more details.

### **Do I need to have match funding for my project?**

Yes. All match funding needs to be in place before an agreement contract can be issued. Match funding can include savings, loans or other grants.

### **Is it possible to use crowdfunding as a source of match funding?**

As long as the applicant has all the match funding in place before the Full Application stage then crowdfunder would be eligible.

### **Can I include own labour and in-kind contributions as match funding?**

No.

### **My project covers a period of 5 years, will LEADER support it over all years?**

No. The maximum period for LEADER funding is 3 years. It is expected that a maximum of 3 claims will be paid per project.

### **Can my grant request include items bought on HP?**

If any equipment in the project is bought using lease purchase or hire purchase, applicants must own the equipment outright before any grant money is paid towards it. That means that the applicant will need to have paid all installments for the equipment and show that title to the equipment has passed to them before being paid any grant money towards it.

### **Is the purchase of land eligible?**

Technically it is. However as land is an appreciating asset there would need to be very exceptional circumstances why this should be eligible.

### **Can LEADER funding support the purchase of buildings?**

Normal rules apply about ownership before the grant is paid i.e. the applicant must have full ownership of the building before the grant can be paid.

### **Can LEADER fund utilities as part of a capital project e.g. new electricity supply, water supply or gas mains, 3 phase supplies?**

LEADER cannot fund connection to the grid or gas mains as there is normally a monopoly supplier and so applicants could not carry out a value for money assessment. Funding costs associated with electrical, water or gas works within a site or building where it is possible to obtain 3 quotes would be eligible.

### **Can vehicles be funded under LEADER?**

Vehicles should only be funded where it is a specialised vehicle and is specifically related to the project in question. Where a vehicle could potentially be used for alternative uses or personal use then it should not be funded. This is because it is impossible to monitor usage of a vehicle and if, for example, an on the spot inspection for monitoring visit were to take place and found that the vehicle was not being used for the purposes of the project for which it was funded it could result in the recovery of funds and the imposition of penalties. Examples of an eligible vehicle might be a campervan specifically adapted for selling hog roast at events or trailers specifically adapted for transporting visitors around farm attractions.

### **Are Apprenticeships eligible to be counted as a “jobs created” output?**

The vast majority of apprenticeships are government funded in some way. For this reason we cannot record them as an output under RDPE as there is a high risk of double counting. If the apprenticeship is expected to lead to a job being created after the apprenticeship has been completed then this can be counted. e.g. in a project where a 1 year apprenticeship is expected to lead to a job, this can be forecast as 1 job created in year 2 and captured as an actual output once an employment contract is issued.

### **Can zero hours contracts be included in the job creation output?**

No, they couldn't be included as we need to know contractual hours to calculate what percentage of a FTE they are.

### **Is LEADER appropriate for feasibility studies?**

LEADER should not be used to fund feasibility studies for commercial projects, except for renewable energy projects as detailed in the [Applicant Handbook](#). For other project types then the LAG will need to consider whether the ultimate project is likely to be one that the LAG would want to support and the outputs that project would be delivering. It is easy for scarce LAG budgets to be consumed by funding feasibility studies for projects which then ultimately do not come to fruition so funding such studies will only be considered in exceptional circumstances.

## Can I make changes to my project after the LAG has endorsed my Outline Application form?

The Outline Application form is needed to ensure that the LAG has a clear understanding of what you want to do. This will allow us to clarify that you or your business and the items you wish to seek grant on are eligible.

## Do I need to give a presentation to LAG Forum members?

Yes. If you are eligible you will give a short presentation to the LAG Forum members who will assess your Outline Application and your presentation against the funding criteria. If successful you will then be invited to submit a Full Application. The information in the Outline Application also provides us with an opportunity to offer you guidance on what you will need to prepare alongside your Full Application - this will vary from case to case depending on the nature of the project. It can be problematic if the project subsequently drifts into something different once the application has been endorsed by the LAG and may require you to go back to the LAG Forum for them to endorse the changes to your project.

## Is the grant means-tested?

When considering whether to support projects and at what rate of grant the Local Action Group will look at the strength of the underlying business, the additional profit that will be generated as result of the investment and the wider benefits that will be secured as a result of the investment. If the case for public intervention is weak and the wider benefits are thought to be low then the case for funding will not be a high priority.

## Will I need to bank roll my project?

Part of the funding requirements are that the agreement holder can only claim the grant when the goods and services have been paid for and full defrayal evidence is available. In addition receipted invoices are required as part of the claim. This means that the applicant needs the facility to cover the cost of the project before any grant money is received. The time between claiming grant and receiving payment can sometimes take around 40 days. This will have implications for your business's cash flow. Some banks however, will often view LEADER contracts in a positive light and can be used to help secure a short-term loan.

## What paperwork is required post agreement approval?

You will be sent an agreement contract that sets out terms and conditions, for example how much grant you will receive, deadlines for claiming, outputs, milestones and conditions of grant. You will also be sent a grant claim form that includes a template for a progress report, a spread sheet to detail your expenditure during the period you are claiming for and a declaration form. We will carry out a project engagement meeting with you shortly after you have signed your agreement contract, so you are aware of your contractual obligations and how to prepare each grant claim.

**And remember the Heart of Wessex Programme Management Team are here to help you!**

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