

# Revenue Costs

LEADER is primarily a capital programme. There are some limited circumstances under which revenue costs can be supported through LEADER.

## Revenue Elements in Capital Projects

Ongoing running costs of a commercial business such as staff salaries, utilities, office costs, rent, repairs, maintenance, and subscriptions are not eligible for grant funding.

The following development costs can be eligible as part of mainly capital projects:

- Development costs of marketing materials, such as website development, design of marketing and promotional materials. However, ongoing website maintenance and the production and distribution of marketing materials are not eligible
- Architects engineers or consultants fees for the project, as long as these don't add up to more than 15% of the total eligible costs of the project.

## Revenue Projects made up mainly of staffing costs

LEADER may fund revenue projects, where the majority of expenditure is on staff costs and the remainder on other running costs, subject to the following principles:

- LEADER is the funder of last resort, so can only support activity where other European and National funds cannot be used.
- LEADER Revenue funding should be for the minimum time necessary for the project to achieve its agreed outcomes, and should cease either when these have been completed or the funded post can be supported through other income streams.
- All projects must contribute to national priorities and to the LAG's own local priorities as set out in the LAG's current LEADER Handbook. It is accepted that revenue projects are more likely to make an indirect contribution to jobs and growth than to create jobs directly.
- Posts cannot be recorded as outputs while they are being funded by LEADER. If the post continues beyond the funded period for a minimum of 1 year, it can be counted as a job created.
- Revenue projects should support multiple business beneficiaries in the target area, either through collaborative action (such as the establishment of a food festival or wood fuel co-op) or as individual businesses (for example, increased turnover in adjacent hospitality businesses arising from the redevelopment of a tourist trail).
- LEADER-funded posts should not displace existing posts or activities that are already supported through earned income or other funding sources.

## **Software Development**

The development of specialist computer software is an eligible item under LEADER. The development of business websites for solely promotional purposes is covered above, and can only be considered for funding as part of a wider project.

Development of some other types of software could be eligible for support as a stand-alone project, subject to standard conditions such as minimum grant size and procurement. This could include:

- Specialist or bespoke software related to the running of an individual business, for example software developed to control a manufacturing process.
- Specialist applications that promote a range of local businesses, for example a gps-based app linked to a tourist trail showing details of adjacent tourism, crafts and local food businesses.
- e-commerce applications such as an online farm shop or a ticket booking facility for a tourist attraction. Tourism authorities (such as Destination Management Organisations) funded wholly or partly with public funds cannot receive LEADER funds for the development of e-commerce applications such as accommodation booking websites.

**Anyone considering a revenue-only project should get in touch with us first to discuss it before applying.**

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