



Rural Payments
Agency

Rural Development Programme for England – January Growth Calls

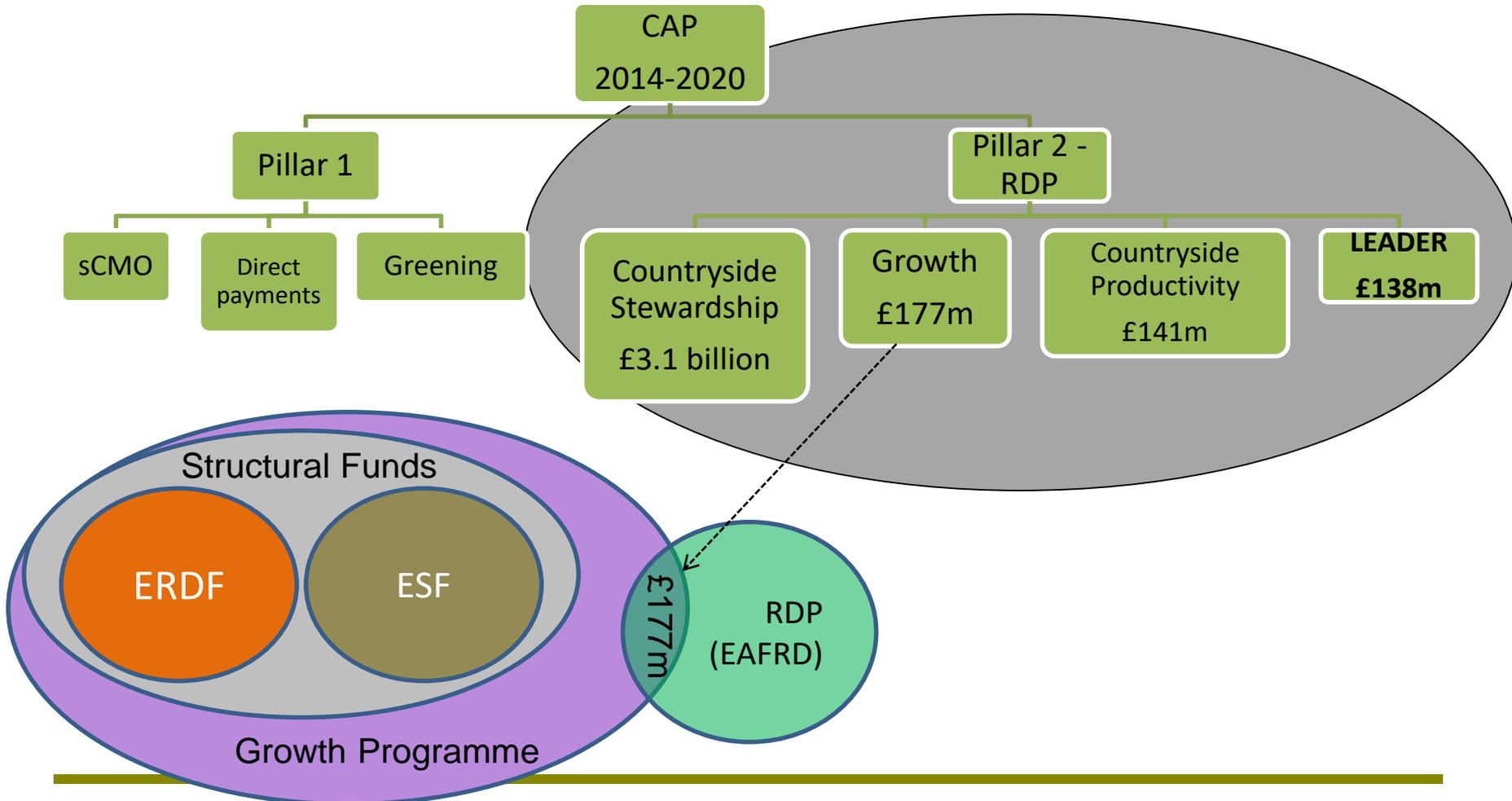
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Purpose

- Brief overview of the Rural Development Programme for England
- Grant funding available from January
- Application process and timescales
- Further information and support



The Contribution of Growth programme to Rural Development



Background

- The government has confirmed that it will guarantee funding for RDPE Growth Programme grants if these are agreed and signed before the UK's departure from the EU, even if the grant agreements continue after we have left the EU, subject to projects meeting the following conditions:
 - they are good value for money
 - they are in line with domestic strategic priorities
- Following the announcement Defra has launched RDPE calls for the following socio-economic projects in January 2017;
 - Food Processing
 - Business Development
 - Tourism Infrastructure
- Calls for Tourism Co-operation projects, as well as Countryside Productivity grants may also to be launched in 2017



How are the funds managed?

- The Rural Payments Agency (RPA) delivers the grants, working with European Structural and Investment Fund (ESIF) Sub-Committees in Local Enterprise Partnerships (LEP) areas.
- RPA's role is to assess applications for grants, with advice from the ESIF sub-committees.
- Local Enterprise Partnerships (LEPs) are partnerships between public bodies and businesses. Their role is to decide local priorities for the grants – where money should be directed to give the most benefit locally.
- **You won't automatically get a grant.** When you apply for a grant, you're competing with other applicants in your LEP area. RPA assesses all applications to see how well they fit the priorities for funding and which projects provide best value for taxpayers' money.



Lessons Learnt From Previous Calls

- Previous calls for projects applications were launched in the summer 2015.
- The numbers of applications received was lower than we would have liked.
- Following a review we have made a number changes to hopefully help you make applications this time (further details in remainder of the presentation);
 - Simplified applicant information – one handbook per subject area (rather than separate info for every LEP area)
 - Moved to longer application windows (12 months rather than 3 months), with larger associated budgets available.
 - Introduced a shorter (4 page) Expression of Interest (EoI) form rather than an outline application.
 - We will aim to provide a response to your EoI within 30 working days (6 weeks) from point of submission, including input from your local European Structural and Investment Fund (ESIF) Sub-Committee.



Overlapping LEP Areas

- Some areas of the country are part of two LEP areas, and may have two grant application calls available at the same time but with differing priorities/support available.
 - There is a sizeable overlap between **D2N2** and **Sheffield City Region (SCR)** LEP areas (districts of Bassetlaw, Bolsover, Chesterfield, NE Derbyshire, Derbyshire Dales are in both LEP areas).
 - All three of the current calls are open in both LEP areas (details later).
 - You can only apply to **one source** of Rural Development Programme for England funding per project. Therefore, you should apply to the LEP or LEADER (more later) call where your project best meets their identified local priorities.
 - If we find that you have applied to the wrong LEP call at EoI stage, we can address this with you through the assessment process.
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Business Development, Food Processing and Tourism Infrastructure Calls

Business Development

Who can apply?

- Small rural businesses – new or existing.
That includes farmers who want to diversify into non-agricultural activity.

Who can't apply?

- non-departmental public bodies or Crown bodies
- members of Producer Organisations under the Fresh Fruit and Vegetables Aid Scheme who have (or can get) a grant for the same project through their operational programme document
- projects that are carried out only to meet a legal requirement

What are the grants for?

- To help rural businesses grow and create more jobs.
- Grant funding can help pay for (list of ineligible costs will be available in the handbook):
 - constructing or improving buildings
 - buying new equipment and machinery

How much money can you apply for?

- Grants can cover up to 40% of the eligible costs of a project. They are for a minimum of £35,000, though this will vary in some LEP areas. State aid rules limit funding to €200,000, around £170,000



Business Development

- **Example 1 - Investing in equipment.** A small rural business that makes furniture will invest in 2 new machines. This will create 2 new full-time jobs. It also means the business can use new, high-precision techniques, and so will create higher quality products. This investment will open up new markets locally, nationally and overseas.
- **Example 2 - Farm diversification.** A farm business plans to diversify by setting up a metal fabrication business. The business has made some gates and railings in the farm workshop, and has an agreement from a local building contractor to supply gates and railings for building developments. This will build on the skills already in the farm business, and the business will employ one new skilled person on a full-time basis.



Business Development

National priorities for funding - Your project is more likely to get a grant if it achieves at least 2 of these;

- **Create jobs** - Creates new, higher-skilled or higher-paid jobs. Creates at least 1 FTE job for every £30,000 of grant funding.
- **Grow your business** - Demonstrates a clear future plan to grow your business.
- **Improve productivity through innovation** - Introduces new techniques, equipment or processes to a business to make it more productive.
- **Open new product markets** - Helps your business sell goods or services to new customers or markets.
- **Export** - Helps your business access export markets.



Business Development – D2N2

Local Priorities for Funding (taken from page 37 of handbook)

- Create new and expand existing micro and small businesses in rural areas in the following priority sectors:
transport equipment manufacturing; life sciences;
food and drink manufacturing; construction; transport and logistics;
visitor economy; creative industries; low carbon goods and services.
- create new jobs within the applicant business.
- create new higher skilled jobs above the current average skill level of jobs in the applicant business.
- introduce new technologies and/or new processes which will boost productivity in the applicant business.

- **Call value = £1.58m**
- **Min grant £35,000; max grant £170,000**



Business Development – Sheffield CR

Local Priorities for Funding (taken from page 50 of handbook)

Priority will be given to projects that:

- allow farming businesses to diversify into non-agricultural activities
- create new services and / or manufacture new products
- increase the productivity of the applicant business
- start or increase exporting of products by the applicant business
- create 1 full time equivalent job for each £25,000 of grant investment.

Call value = £464,000

Min grant £35,000; max grant £170,000



Food Processing

Who can apply?

- Food and drink businesses that process agricultural and horticultural products.

Who can't apply?

The following are not eligible for the grants:

- non-departmental public bodies or Crown bodies
- members of Producer Organisations under the Fresh Fruit and Vegetables Aid Scheme who have (or can get) a grant for the same project through their operational programme document
- projects that are carried out only to meet a legal requirement

What are the grants for?

- To help businesses grow and create new jobs.
- Grant funding can help pay for (list of ineligible costs will be available in the handbook):
 - constructing or improving buildings
 - buying new equipment and machinery

How much money can you apply for?

- A minimum of £50,000 in D2N2 and SCR LEP areas (may differ in other LEP areas) .
- Intervention dependent on nature of activity, for example primary agricultural production (annex 1) in and out of process could be eligible for up to 40%.



Food Processing

Example 1 - Meat processing. A slaughtering and processing business wants to expand its meat cutting and packing facilities. This will allow it to meet new orders from both the domestic and export markets for products with local provenance. The business will produce ready to-cook consumer packs, including whole cuts, mince and sausage. No other products and no further processing will take place. The business will form a group of local farmers to supply the new orders – some of these already supply the business, some are new suppliers. These suppliers will be paid an additional 10p per kg deadweight over the normal purchase price paid by the applicant business.

Example 2 - Milk processing. A group of farmers are setting up a business to create a new milk processing facility. The farmers are working with a regional retailer that is committed to developing local supply chains for the dairy products sold in their stores. The new milk processing business has secured a rolling 5-year deal for supply based on the cost of production and has identified opportunities for production of yoghurt in future years.



Food Processing

National priorities for funding – Your project is more likely to get a grant if it achieves at least 2 of these;

- **Create jobs** - Creates at least 1 FTE job for every £30,000 of grant funding.
- **Grow your business** - Increases the turnover and profitability of a business.
- **Benefit the supply chain** - Provides direct benefits to the farmers and growers who supply the raw materials, particularly local farmers and growers.
- **Access new markets** - Helps you sell more products locally, nationally and through exports.
- **Show innovation** - Introduces new techniques, equipment or processes to a business
- **Create joint ventures and partnerships** - Creates new and useful links between businesses – for example between growers and processors.



Food Processing – D2N2

Local Priorities for Funding (taken from page 38 of handbook)

Priority will be given to projects that:

- start or expand exporting by the applicant business accessing international markets
- introduce new techniques and/or processes within the applicant business to increase production and boost productivity
- create new higher skilled jobs above the current average skill level of jobs in the applicant business.
- develop strong supply chains within the D2N2 area

Call value = £501,253

Min grant = £50,000; Max grant = £501,253



Food Processing – Sheffield CR

Local Priorities for Funding (taken from page 50 of handbook)

Priority will be given to projects that:

- allow the applicant business to start exporting products or increase the volume of products exported
- adopt new techniques and processes
- increase productivity of the applicant business
- create 1 full time equivalent job for each £25,000 of grant investment

Call value = £835,422

Min grant = £50,000; Max grant = £500,000



Tourism Infrastructure

Who can apply?

- If the project is commercial and will make a profit, only small businesses and farmers who want to diversify can apply.
- If the project won't make a profit, a wide range of organisations can apply (including public bodies and charities).

Who can't apply

- Crown bodies
- Projects that are carried out only to meet a legal requirement

What are the grants for?

- The grants will help fund the costs of capital expenditure on tourism infrastructure.
- The aim is to support projects that will encourage more tourists to come, to stay longer and to spend more money in rural areas.

How much money can you apply for?

- Normally, a minimum of £35,000 – though this will vary depending on the project.
- Maximum grant rate for commercial projects will be 40%, higher levels of support for non commercial activity



Tourism Infrastructure

- **Example 1 - Capital investment in visitor attractions.** A business is building a new visitor attraction for families. This will add to the range of attractions already in the area. It will make the area more attractive to tourists and increase the number of visitors. Because the new visitor attraction is all-weather, it will help extend the tourist season in the area – which means other tourism businesses, like restaurants and accommodation providers, will also benefit.
- **Example 2 - Building new access infrastructure.** The local district council is investing in paths to connect up a number of existing footpaths, cycle ways and bridleways. This will create a network of easily accessible circular routes of between 4 and 15 miles, which will make the area more attractive for walking and cycling.
- **Example 3 - Extending a local museum.** A local heritage museum (which is free to enter) wants to build a second viewing gallery, so it can display more of its collection. The new gallery will include a small area for a cafe. The new gallery and cafe mean that visitors will stay longer 15 at the museum.



Tourism Infrastructure

National priorities for funding

Your project is more likely to get a grant if it achieves at least 2 of these;

- **Create jobs** - Creates at create at least 1 FTE job for every £30,000 of grant funding. Creates skilled jobs.
- **Extend the tourism season** - Attracts tourists outside the usual period of May to October
- **Develop tourist attractions and infrastructure** - Creates or develops tourist attractions and infrastructure to increase the range of attractions available locally, encourage tourists to stay longer and increase their spend.
- **Collaborate** - Encourages collaboration and links between local tourism businesses.



Tourism Infrastructure – D2N2

Local Priorities for Funding (taken from page 40 of handbook)

Priority will be given to projects that:

- create new or develop existing attractions to improve the visitor offer
- increase the length of stay of visitors / amount of money spent by visitors
- extend the tourism season beyond the usual period of May to October
- create infrastructure to improve access links to and between visitor attractions (such as the development of multi user paths)
- support the development of cycling tourism
- create new skilled jobs within in the applicant business
- create or develop visitor accommodation where there is clearly defined and evidenced need and demand
- fit with the Destination Management Plans for the D2N2 LEP area and / or D2N2 Tourism Strategy.

Call Value = £928,247

Min grant = £50,000; max grant = £170,000 (commercial projects)



Tourism Infrastructure – Sheffield CR

Local Priorities for Funding (taken from page 56 of handbook)

Priority will be given to projects that:

- create year round instead of seasonal jobs
- create new and expand existing visitor attractions to bring more visitors to the area and increase overnight stays
- create or develop infrastructure for outdoor activities (such as developing multi-user pathways for cycling and walking)
- develop visitor attractions associated with heritage, food and drink or outdoor leisure activities
- create new or upgrade existing visitor accommodation
- create 1 Full Time Equivalent jobs for each £25,000 of grant investment
- create employment opportunities for the young and unemployed

Call Value = £742,597

Min grant = £35,000; max grant = £170,000 (commercial projects)



LEADER Funding

Another avenue for securing RDPE funding support is through LEADER.

- LEADER funding is delivered through 80 Local Action Groups across England, supported by an accountable body, providing grants to enable jobs and Growth.
- Four LAGs in D2N2 LEP area
(Peak; Bolsover/NE Derbyshire; North Notts; South Notts)
- LEADER funding is available for similar types of activity, but often offer support at a lower threshold – grants can be available from £2,500 upwards.
- You can **not** apply to LEADER and Growth funding for the same project.
- In developing your project, it may be worth considering which fund is more appropriate for you (depending on the scale and type of activity).
- <https://www.gov.uk/guidance/rural-development-programme-for-england-leader-funding>





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Application Process

Growth programme: Supporting a thriving rural economy

1

Got an idea? Make a plan

Every successful application starts with a good idea and a clear plan for how to make that idea a reality.



3

Express an interest

Fill in an expression of interest (EOI) form and email it to RPA. Tell us about your project and how a grant will make it bigger and better.



5

Get to work

With your funding agreement signed, you can start work on your project.



2

Read the handbook

Read the grant handbook to make sure you're definitely eligible and that there is funding available in your local area.

4

Apply in full

If your EOI is accepted, you can make a full application. If this is successful, you'll get a funding agreement to sign.

6

Claim your money

After you've finished the work, you can claim your money.



What we look for at Expression of Interest stage?

- Eol stage intended to give you a relatively quick view on whether your proposed project;
 - is eligible for RDPE funding
 - if it 'fits' with local priorities for grant support.
 - Circa 4 page form seeking key information.
 - RPA will aim to provide an outcome 30 working days (circa 6 weeks) after submission, including seeking a view on 'strategic fit' from your local European Structural and Investment Fund (ESIF) Sub-Committee.
 - Eol application forms and handbook guidance will be available from the following website: <https://www.gov.uk/topic/farming-food-grants-payments/rural-grants-payments>
 - Completed Eols should be e-mailed to: growthapps@rpa.gsi.gov.uk
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What we look for at Full Application stage?

- If invited to the next stage, a full business case is required for the RPA to make a funding decision on your project.
- Full application stage remains competitive – just because your EoI was successful is no guarantee your full application will be funded.
- We will agree a submission date with you, but given the limited time available to commit the funds, you should aim to submit your application as soon as possible.
- Although it can take a number of months (average of 3 months) to pull together your application. You will be given a specific RPA point of contact to support you.
- At this point, it is expected that a project would have received;
 - All required approvals (such as planning permission),
 - Secured match funding,
 - Can evidence the case for need/ demand, and
 - Demonstrate value for money against costs (such as providing three like for like quotes for each area of expenditure).



What we look for at Full application stage?

Strategic Fit	<p>How well the project meets the <u>national</u> as well as the local priorities for funding.</p> <p>How the project will impact on the environment.</p> <p>That the project does not disadvantage anybody in terms of ethnicity, disability, age or gender.</p>
Value for Money	<p>How the project Costs represent value for money.</p> <p>The amount of grant required to deliver the outcomes and outputs (E.g. Cost per Job).</p> <p>What difference grant funding will make compared to what would happen without grant funding.</p>
Need and Demand	<p>Why grant funding is required for the project.</p> <p>A clearly identified market need for the project.</p> <p>The impact the project has on other businesses.</p>
Financial Viability	<p>How the project impacts on your existing business operations</p> <p>How you will fund the project until the grant can be claimed.</p> <p>How the business will benefit from the project financially.</p>
Deliverability and sustainability	<p>Whether the project will be delivered within budget and on time.</p> <p>That the right skills and resources are in place to deliver the project successfully.</p> <p>How the project outputs and other benefits will be monitored and recorded.</p> <p>That risks to project delivery have been identified and how they will be mitigated.</p>



Ineligible costs (see also list in handbook)

Some examples:

- Costs of refurbishment and simple like-for-like replacement of buildings, machinery or equipment
- Leasing contract costs – like lessor's margin, interest refinancing costs, overheads and insurance charges
- Costs of computers, software or printers used in general running the business (e.g. accounts or processing orders)
- Salaries or running costs
- Developing or setting up agricultural businesses
- Costs of marketing and promotion
- Contributions in kind



Projects that will not be supported :

- Projects which displace existing activity in the rural area
- Where the project is to relocate a business with no net increase in economic activity or jobs;
- Where there is no demonstrable plan to increase productivity as a result of the investment
- Where the project only creates a small number of low productivity jobs and such jobs are not needed in the area
- Projects that have incurred costs before they have received a decision and grant funding agreement



Top Tips

- **Jobs & Growth** – whole purpose of the Growth programme is to create jobs and economic growth across rural areas, so tell us how your project will do this.
- **Sell us your idea** – explain clearly what your project does and how will benefit the economy. It is a competitive process.
- **Don't ask for full amount if you don't need it** – we will assess your application for public funds represents value for money, in a competitive process. Just because you can apply up to 40% doesn't mean you will receive it, you should apply for the least amount required to enable your project to take place.
- **Show us what the grant funding means to your project** – why is it critical you receive public money to enable it to happen.
- **Do the market research** – you have to be able to evidence that there is a real need/demand for what you want to do.



Further info

- All information (including the handbook for each call and EoI application form) will be available on the .gov.uk website <https://www.gov.uk/topic/farming-food-grants-payments/rural-grants-payments>
- Please also contact the RPA if you would like to discuss your project/ would like any further advice

Rural Payments helpline : 03000 200 301

Email: GPEnquiries@rpa.gsi.gov.uk

Completed EoIs should be e-mailed to: growthapps@rpa.gsi.gov.uk

