

C2C EAFRD Rural Growth Grants Event



The European Agricultural **Fund for Rural Development**

Europe investing in rural areas





Welcome, Introduction, Scene Setting John Peel, OBE

Coast to Capital LEP ESIF Committee Chair





EAFRD Update Matthew Heath

ERDF Project Manager, Coast to Capital LEP





RPA Presentations on Available Funding through RDPE and Other Funds

Peter Bainbridge & Helen Dallas







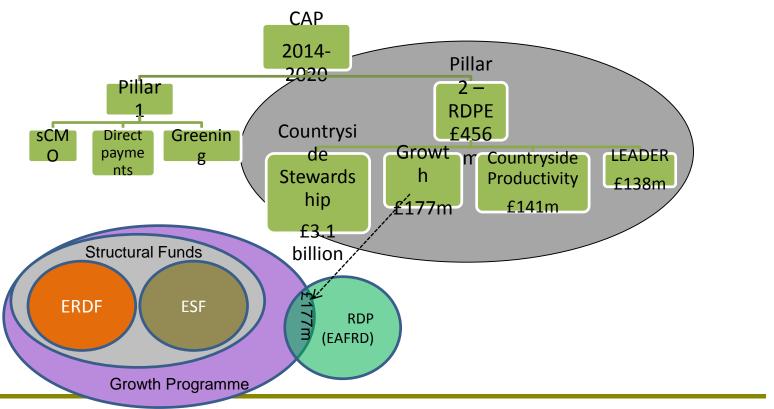
Rural Development Programme for England – January Growth Calls

Peter Bainbridge, Head of South Region Rural Payments Agency

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 on Thursday 26 January Defra has launched RDPE calls for the following socio-economic project themes:
 - Food Processing
 - Business Development
 - Tourism Infrastructure
- Future Growth calls for Tourism Co-operation and Broadband are currently under consideration.
- Countryside Productivity grants are likely to follow later 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.
- The grant process is competitive. 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.
- Wide ranging review has resulted in a number changes to deliver better quality applications (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 or Interest (EoI) form rather than an outline application.
 - We will aim to provide a response to your Eol 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 LEPs, and may have two grant application calls available at the same time but with differing priorities/ support available.
- You can only apply for one source of Rural Development Programme for England funding per project.
- Therefore, you should apply to the LEP or LEADER (more later) call which has the 'best fit' between your project objectives and their identified local and national priorities.
- If we find that you have applied to the wrong LEP call at EoI stage, we can address this with you through the appraisal process.



Business Development, Food Processing and Tourism Infrastructure Calls

Who can apply?

 Small rural businesses – new or existing. That includes farmers who want to diversify into nonagricultural 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 apply) 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 eligible costs of a project. Typically, the minimum grant is £35,000 (minimum project size of £87,500) though this will vary in some LEP areas. State aid rules limit funding to €200,000, around £170,000

- 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.

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

- 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.

Local Priorities for Funding:

- create new and expand existing micro and small businesses in rural areas in the following Coast to Capital priority sectors and their direct supply chains creating new jobs and growth of the applicant business:
 - manufacturing of wood-based products and innovative products for the construction industry, including
 - timber framed construction
 - sustainable manufacturing where low carbon manufacturing methods and technologies are being applied.
 - advanced manufacturing
 - health and Life Sciences
 - creative, Digital and Information Technology (CDIT)
 - financial Services
 - environmental technologies
 - tourism
 - construction

- introduce and implement innovation in the applicant business,
- manufacture by the applicant business of new products
- allow the applicant business to sell into new markets at home and abroad.

Minimum grant: £75,000

Maximum grant: €200,000,

(approximately £170,000)

Total call value: £835,422

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 £35,000, though this will vary in some 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%.

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.

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.

Local Priorities for Funding:

- create innovative products and / or use innovative technologies
- create new products
- access new markets
- create economic and employment growth boosting productivity and profitability
- invest in processing particularly:
 - horticultural products
 - cheese production
 - wine production
- strengthen supply chains, jointventures and partnership-working such as shared distribution facilities

- include sustainable practices and the move to the low carbon economy as part of a larger project
- Priority will also be given to projects increasing the productivity of micro and small breweries and distilleries located in rural areas.

Minimum grant: £100,000

Maximum grant: £1,000,000

Total call value: £1,299,545

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 by LEP.
- Maximum grant rate for commercial projects will be 40%. Higher levels of support available for semi-commercial (80%) and not-for-profit (100%) activity.

- 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.

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.
 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.

Local Priorities for Funding

Projects that:

- develop and increase active tourism, such as walking, cycling, sailing and equestrian activities
- encourage longer stays and higher spend by tourists in the rural parts of the LEP area
- show they are environmentally sustainable
- benefit multiple businesses and destinations, for example: cycle paths connecting rural attractions, and
- · cultural and heritage assets
- link tourism to the wider economy, for example: creating links to food and drink businesses and increasing
- business tourism
- support achieving the aims of the C2C Rural Statement and relevant destination management plans

Minimum grant: £75,000

Maximum grant: Commercial projects - €200,000, approximately £170,000

Other projects – £250,000 subject to state aid rules

Total call value: £1,113,896

LEADER Funding

- Another avenue for securing RDPE funding support is through LEADER.
- LEADER funding is delivered through 80 Local Action Groups (LAG) across England, supported by an accountable body, providing grants to enable jobs and Growth.
- 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) and the LEP minimum grant thresholds in your area.
- https://www.gov.uk/guidance/rural-development-programme-for-england-leaderfunding



Application Process

Helen Dallas, Area Manager Rural Payments Agency

Applying for Growth grant

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.



Read the handbook

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



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.



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.



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





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

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

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 it 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 on a
 competitive basis ensuring it represents value for money for the public purse. You
 should only apply for the amount you need to for the project to proceed.
- 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
- 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: <u>GPEnquiries@rpa.gsi.gov.uk</u>

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

RPA Q&A





Introduction to the LEADER grants programme in Rural Sussex & Rural Surrey Richard Chalk & Cathy Miles, LEADER









LEADER grants – supporting the rural economy

March 2017

Cathy Miles - Rural Surrey

Richard Chalk - Rural West Sussex & Lewes District



LEADER grants



- Background to the programme.
- Funding headlines.
- 6 National Priorities.
- Progress.
- "BREXIT" and LEADER.
- The application process.
- Tips for applicants.



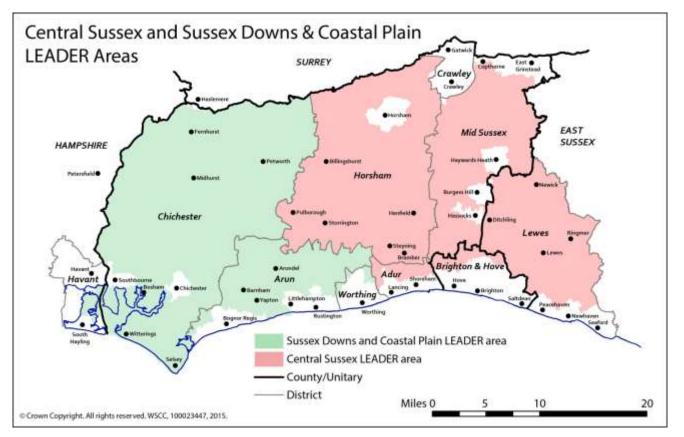
Background to the Programme

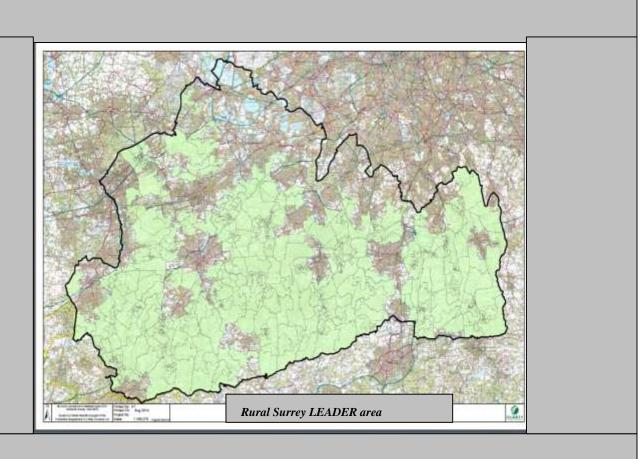


- LEADER = "Liaison Entre Actions de Development de L'economie Rurale"
- Successful 2007-13 Programme.
- Further programme approved, 2015-20.
- All the rural parts of Coast to Capital area covered by 3 LEADER groups:
 - Central Sussex
 - Sussex Downs & Coastal Plain
 - Rural Surrey











Budgets 2015-20



LEADER Group	Grants Budget
Central Sussex	£1.4m
Sussex Downs & Coastal Plain	£1.22m
Rural Surrey	£1.44m
Total	£4.06m



Funding headlines



- For farmers, foresters, micro & small businesses, start-ups, social enterprises and community groups in LEADER area.
- Small business = fewer than 50 employees & turnover under € 10m.
- Maximum grant up to £75,000; minimum is £2,500.
- Funding for capital projects equipment, premises, etc.
- Maximum 40% of eligible cost, higher rates possible for noncommercial community projects.
- Grant funding paid after project completion.



6 National Priorities



- Increasing farm productivity
- Support for micro/small businesses and farm diversification
- Support for rural tourism
- Provision of rural services
- Cultural and heritage activity
- Increasing forestry productivity



Increasing Farm Productivity



- Projects to improve the overall performance and sustainability of an agricultural holding.
- Investments to support animal health and welfare improvements.
- Processing, developing and marketing agricultural products – adding value.
- Investments in reservoirs and irrigation.
- Must be above standard agricultural practice.
- Grant rate up to 40%.



Small Business and Farm Diversification



- Small rural businesses planning to grow and create jobs.
- Farms that want to diversify into non-agricultural activities.
- Investments in new or existing premises.
- Purchase of equipment.
- Processing and marketing.
- Grant rate up to 40%.



Rural Tourism



- Develop high quality visitor products and services.
- Extend the season and encourage visitors to stay and spend.
- High quality accommodation where there is under-supply and wider benefits.
- Access infrastructure paths, cycle-ways, information.
- IT such as e-booking systems.
- Grant rate 40%, 80% or 100% depending upon applicant and type of project.



Rural Services



- Setting up, improving or expanding essential rural services.
- Creation, improvement or expansion of village infrastructure including community facilities and village access.
- Projects that improve understanding of the countryside and rural areas.
- Projects should contribute towards growing the local economy.
- Grant rate 40%, 80% or 100% depending upon applicant and type of project.



Cultural and Heritage Activity



- Cultural and natural heritage of villages and rural landscapes.
- Conservation of small scale heritage.
- Cultural and community activities.
- Projects should promote growth in local economy.
- Grant rate up to 100% depending on applicant and type of project.



Increasing Forestry Productivity



- Investments in machinery and equipment.
- Processing and marketing of products.
- Developing wood-fuel supply chains.
- Adding value to forest products.
- Grant rate up to 40%.



Progress to date



- Our 3 LEADER groups have so far committed £561,674 to 19 projects.
- Will support creation of 35 Full Time Equivalent jobs and 4,814 additional overnight stays.
- Total project value of £1.7m.
- Remainder of funds must be committed before UK leaves the EU.



"BREXIT" and LEADER



- Stop-start and uncertainty during 2016 due to EU Referendum.
- November Chancellor of Exchequer confirmed EU funded programmes including LEADER to continue to Brexit.
- Latest is that we will be able to commit funds to March 2019, up to current budget.
- We therefore plan to accept Full Applications to 31st December 2018.
- Grant claims received by the Accountable Body by end of 2019.



Application process



- Initial discussion with LEADER team.
- Outline Application submitted and checked for eligibility.
- Invited to proceed to Full Application.
- Pre-Application advice from team go for this!
- Full application is appraised.
- Project considered by the Local Action Group.
- Grant Funding Agreement (GFA) issued if approved.
- Project progresses to completion.
- Grant claim submitted, checked and paid.
- Timescale: 3 months to GFA?



Tips for applicants



- Allow time contact us early.
- Follow the Applicants' Handbook and guidance notes when writing the application.
- Don't let the funding drive the project.
- Need 3 quotes for all project items of £1,501+.
- Better to apply for a few large items rather than lots of small. ones.
- Answer all the questions assume we know nothing about you or your project.



Tips for applicants (2)



- Grants are paid in arrears so you need to think about covering short-term cash-flow.
- How much grant does the project really need to proceed?
 You will need to justify.
- Full applications require evidence that you have done your homework. For projects that will have income and expenditure we require cash-flow forecasts.
- Appraisal particularly tests NEED for project and IMPACT, including on competitors – you must consider these carefully and explain in the application.
- Speak to us before you apply we are here to help.



Contacts



Horsham, Mid Sussex and Lewes Districts - Richard Chalk Chichester and Arun Districts - Caitlin Shardlow

Tel: 0330 222 8001

email: rdpeleader@westsussex.gov.uk

Website: www.businesswestsussex.co.uk/leadergrants

Rural Surrey – contact

Cathy Miles and Sarah Thiele

Tel: 0208 541 8697/8724

Email: <u>ruralsurreyleader@surreycc.gov.uk</u>

Website: <u>www.ruralsurreyleader.org.uk</u>

LEADER Q&A





Examples of LEADER Grant Funded Projects





Nigel Greenwood Spithurst Hub





Spithurst Hub Q&A





Spithurst HUB

A So Sussex project

in partnership with

LEADER AND ESI4

C2C EAFRD Rural Growth Grants Event Horsham, 17th March 2017

Spithurst HUB is ...









- A flexible Co-working, office and conference facility in a rural setting
- Modelled on 'London Level' of design , practicality and latest business thinking
- Aimed at supporting new, developing and existing small businesses

Driven by...

Growth of So Sussex and its portfolio of projects











- Support new and developing businesses
- A long term competitive offering to working in London and Brighton creating local jobs

Funded ...

 Through private, LEADER and ESi4 funding with support from Brighton University Green Growth Platform

LEADER funding is approximately 15% of total project cost

LEADER funds agreed in advance of project build,
 but paid after completion

LEADER lessons learned ...

- **Work in partnership.** The process is complex but Richard and his colleagues are there to help
- You really need to **be on top of the project**, its reasons and financials. **The funding process is thorough!**
- Aim for the maximum funding you can, knowing you need to bridge the gap between applying and receiving funds

^{*} And don't forget the de-minimus rules, if you can work them out!

Spithurst HUB

For more information and a tour

Nigel@sosussex.co.uk 07739 050816

Tim Lock South Downs Bunkhouse







Tim Lock
M.J. Lock & Partners

















South Downs Bunkhouse Q&A





Summary and Close of Plenary Session





Networking Buffet Lunch





Surgery: 1.2.1 Appointments





Thank You



