



Department  
for Environment  
Food & Rural Affairs



The European Agricultural Fund for Rural Development:  
Europe investing in rural areas

# Rural Development Programme for England (RDPE) Countryside Productivity Scheme Water Resource Management Handbook



This handbook was archived on 30 June 2018

**Deadline for applications: 29 June 2018**

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With thanks to the following businesses for the images used in this document :  
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# How the Countryside Productivity Scheme grants work

## Got a business need?

Every successful application starts with a business need and a clear case for how to meet that need.

1



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## Read this handbook

Read the rest of this handbook to check you and your project are eligible.

## Apply

Fill in your application form and send this to us. If this is successful, you'll get a funding agreement to sign.



4



## Get to work

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

## Claim your money

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

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# About the RDPE Countryside Productivity Scheme

## Includes:

- How the government manages these grants
- Government guarantees about funding after the UK leaves the EU

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# About the RDPE Countryside Productivity Scheme

The RDPE Countryside Productivity Scheme provides funding for projects in England which improve productivity in the farming and forestry sectors and help create jobs and growth in the rural economy.

RDPE Countryside Productivity Scheme grants are funded by the European Agricultural Fund for Rural Development (EAFRD).

This handbook is about RDPE Countryside Productivity Scheme water resource management grants. It explains what the grants are for, who is eligible and how to apply.

To find information about the other Countryside Productivity scheme grants, search 'RDPE Countryside Productivity' on GOV.UK.

**You can only apply for one RDPE grant for each individual project.**

RDPE includes RDPE Growth Programme, LEADER, Countryside Productivity, Farming Recovery Fund, Cumbria Countryside Access Fund and Countryside Stewardship.

## How the government manages these grants

The Rural Payments Agency (RPA) delivers the grants.

RPA's role is to assess applications for grants and make offers for grant funding on behalf of Defra.

RPA may at any time and without further notice change the date these grants close to applications.

**Planning a project that will improve productivity, help grow your business through water resource management, create jobs or bring more money into the rural economy?**



You might be able to apply for a grant to help you fund it.

## Government guarantees about funding after the UK leaves the EU

The government has guaranteed funding for RDPE Countryside Productivity Scheme 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. This is subject to projects meeting the following conditions:

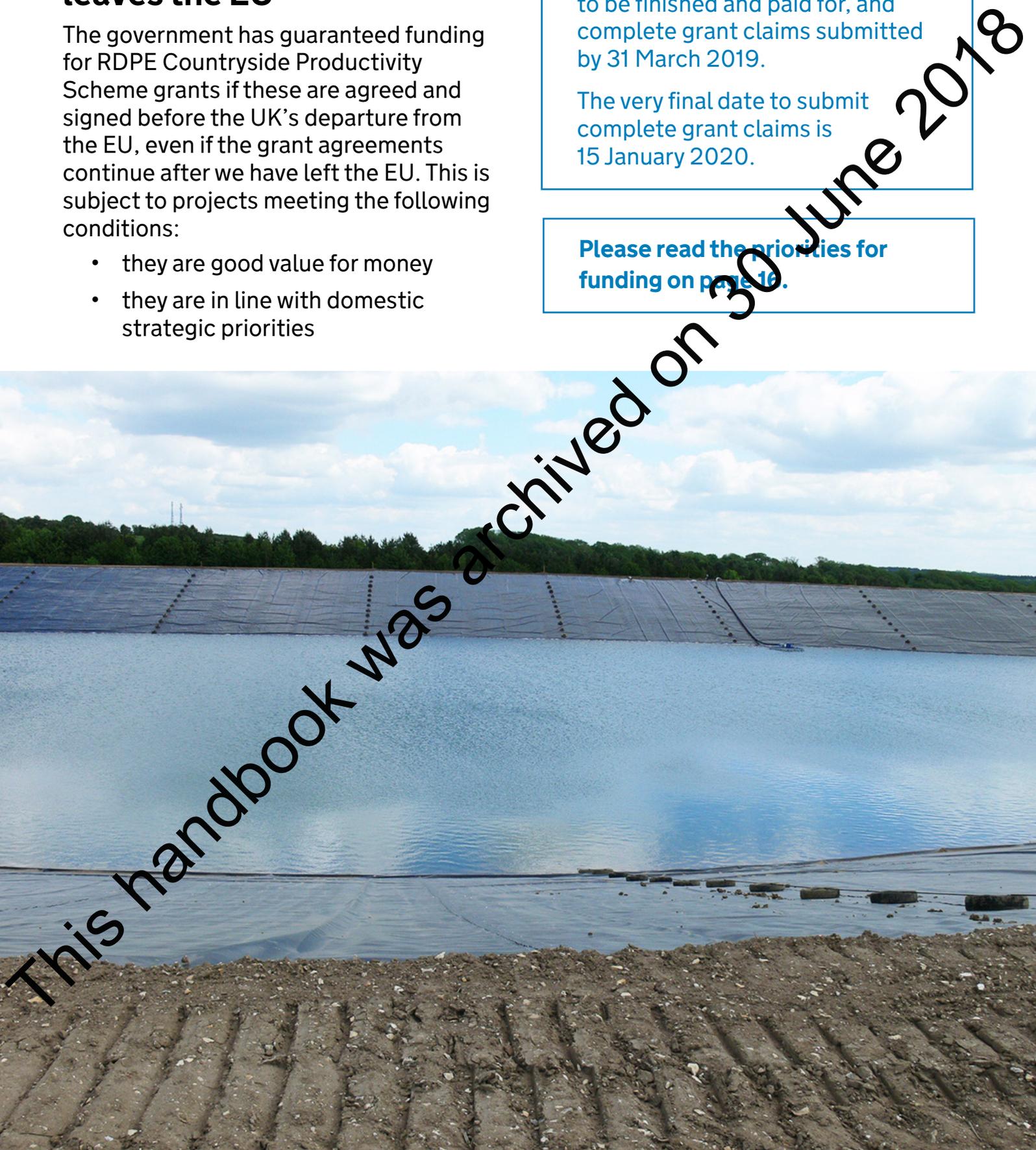
- they are good value for money
- they are in line with domestic strategic priorities

### Deadlines:

You should aim for your project to be finished and paid for, and complete grant claims submitted by 31 March 2019.

The very final date to submit complete grant claims is 15 January 2020.

Please read the priorities for funding on page 16.



# About the grants for water resource management

**Includes:**

- **Who can apply**
- **What the grants are for**
- **How much money you can apply for**

**Examples of projects**

# About the grants for water resource management

An overview of the water resource management grants – who can apply, what the grants will fund and how much funding is available.

## Who can apply

These grants are for arable and horticultural businesses.

## What are the grants for

These grants are to improve farm productivity through more efficient use of water for irrigation, and to secure water supplies for crop irrigation by the construction of on-farm reservoirs. See examples of the kinds of projects which may be eligible for a grant on pages 10-12.

Grant funding can help pay for:

- construction of a water storage reservoir (above or below ground) filled by either peak flow surface water abstraction, borehole or rain water harvested from buildings
- abstract on point, pump and pipework to fill the reservoir
- irrigation pump, controls, underground water distribution main
- water metering equipment
- best practice application equipment such as boom or trickle irrigation
- software and sensors to optimise water application

### What the grants are not for.

The grants can't be used to store or distribute mains water or dirty water, or to control flooding.

## How much money can you apply for

The grants are for a minimum of £35,000.

Grants can cover up to 40% of the eligible costs of a project. If the minimum grant is £35,000, the minimum total eligible cost of a project would therefore be £87,500. See page 20 for the full list of eligible costs.

### You won't automatically get a grant.

When you apply for a grant, you're competing with other applicants.

All applications are assessed to see how well they fit the priorities for funding and which projects provide best value for taxpayers' money.

Read page 16 for more about the priorities for funding.

## Examples of projects

Here are some examples of the kinds of project which may be eligible for a grant for improving water resource management and reservoirs.

### Introducing innovation

A farm business that produces potatoes, carrots and parsnips will construct a 150,000 m<sup>3</sup> synthetically lined reservoir plus 8 km of underground distribution main. This will enable 90 hectares to be irrigated annually across a total area of 730 hectares, in partnership with a local grower. The reservoir will be filled by peak flow abstraction, replacing summer abstraction from a borehole, which runs the risk of abstraction stopping in times of summer drought. The project will directly benefit 4 farming businesses which have access to water from the reservoir, and includes 3 boom irrigators to increase the accuracy of irrigation. This will reduce energy costs to just 40% of a rain gun system.



## Examples of projects (continued)

### Improving productivity

A business that produces salad and vegetable crops will construct a 318,200m<sup>3</sup> clay lined reservoir to increase the supply of water available to irrigate crops grown to meet market demand. The water for irrigation will be transferred using the existing land drainage network. The reservoir will be winter filled from drains close to the reservoir, reducing the need for summer abstraction, and increasing the area which can be irrigated in drought conditions from 42% to 92% of the applicant's holding.



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## Examples of projects (continued)

### Enhancing resilience

An agricultural business will construct a 220,000 m<sup>3</sup> reservoir which will be filled by peak flow abstraction. This will be the first time irrigation will be used on the holding and will enable the business to start producing potato and carrot crops. Renting land out to specialist growers and selling water to them will also be part of the project. The project will link up with the irrigation systems of two neighbouring holdings, increasing the resilience of all three farming businesses by providing a secure water supply.



## Who can apply

### Includes:

- **Projects which increase the irrigated area**
- **Who can't apply**

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## Who can apply

Only arable and horticultural businesses growing, or intending to grow, irrigated crops can apply for the water resource management grants.

To receive a grant, water metering needs to be in place to monitor water consumption. This can be either as part of the project or through your existing metering system.

### **New businesses can also apply.**

If you have an idea and potential private funding for your project, you can apply for a grant.

## Projects which increase the irrigated area

If your project increases the area of land irrigated, then one of the following conditions must apply:

- the water body that you will abstract water from must be classified as in 'Good' or 'High' condition, or
- the 'Reason for Not Attaining Good' status (RNAAG) does not relate to the quantity of water available

See Appendix: water body status requirements.

## Who can't apply

The following are not eligible for the grants:

- non departmental public bodies
- Crown bodies
- members of Producer Organisations under the Fresh Fruit and Vegetables Aid Scheme if they have a grant for the same project through their operational programme document

### **Not sure if you're eligible?**

Contact the RPA helpline on 03000 200301 or email [CPEnquiries@rpa.gsi.gov.uk](mailto:CPEnquiries@rpa.gsi.gov.uk)

# Preparing an application

**Includes:**

- **Priorities for funding**
- **How we assess applications**
- **Applications - what we look for**

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# Preparing an application

RPA will assess all applications. We're looking for evidence of a sound business case and for projects that meet the priorities for funding.

When you apply for a grant, you're competing with other applicants.

We're looking for projects that best meet the priorities for funding and that are good value for taxpayers' money. If you can show this clearly in your application, you're more likely to get a grant.

## Priorities for funding

Your project must meet one of the priorities below or your application will be rejected. The more priorities your project meets the more likely you are to get a grant.

<b>Improve productivity</b>	Introduces new processes, techniques or equipment to improve the productivity of your business
<b>Enhance resilience</b>	Makes your farming operation more resilient to climate change
<b>Improve efficiency</b>	Improves the efficiency of water use within your business
<b>Introduce innovation</b>	Adopts innovative farm technologies
<b>Grow your business</b>	Increases turnover and profitability, the range or value of crops grown or creates new jobs
<b>Encourage collaboration and partnerships</b>	Creates new links between businesses and shares resources

## How we assess applications

The application is a single stage process. We will use the information on the application form and the supporting documents you provide to check that both you and your project are eligible.

Then we will assess how well your project meets the selection criteria set out in the table on page 17. To do this, we will score and rank your application against others submitted for these grants. Only the highest scoring applications will be successful.

It will help your application if you explain your project clearly. Tell us exactly what you are planning to do, why it will be good for your business, how and where you're planning to do it and who will benefit from it.

## Applications – what we look for

This table will give you an overview of what we assess.

<p><b>Strategic fit</b></p>	<p>How well the project meets the priorities for funding.</p> <p>How the project will impact the environment including mitigating climate change.</p> <p>That the project will not disadvantage anybody in terms of characteristics such as ethnicity, disability, age and gender.</p>
<p><b>Value for money</b></p>	<p>How the project costs represent value for money.</p> <p>The amount of grant required to deliver the outcomes and outputs.</p> <p>What difference grant funding will make, compared to what would happen without grant funding.</p>
<p><b>Need and demand</b></p>	<p>Why grant funding is required for the project.</p> <p>There is a clearly identified market need for the project.</p> <p>The impact the project will have on other businesses, both positive and negative.</p>
<p><b>Financial viability</b></p>	<p>The current financial viability of your business.</p> <p>How the project may impact on your existing business operations.</p> <p>How you will fund the project until the grant is claimed.</p> <p>How the business will benefit from the project financially.</p>
<p><b>Delivery and sustainability</b></p>	<p>How the project will be delivered within budget and on time.</p> <p>That risks to project delivery have been identified and how they will be mitigated.</p>

# Funding and Costs

## Includes:

- How much funding is available
- Paying for the project
- Eligible costs
- Costs which are not eligible

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# Funding and costs

You can use grant funding to cover a certain percentage of some project costs – some costs are not eligible.

## How much funding is available

The minimum grant you can apply for is £35,000.

The grants can only fund a certain percentage of eligible costs and there is a maximum percentage that applies. For water resource management grants this maximum is 40%. You can use other public money to pay for eligible costs – but only up to that maximum percentage, and this may reduce the water resource management grant that you can receive.

At least 60% of the project costs must be paid for with money from private sources like savings or a bank loan.

The maximum grant per project is normally £1,000,000. Please contact us if you wish to apply for more than this.

## Paying for the project

Grants are paid in arrears. They can only be claimed after the work being claimed for is finished and has been paid for. We expect you to make a maximum of 3 claims over the course of the project.

You must show that you have sufficient funds to pay for the project costs until you get the grant payments.

## Hire-purchase or leased items must be paid off before you claim

If you buy an item for the project using lease purchase or hire purchase, you must own this outright before you can claim any grant money towards it.

This means that, before you claim the grant, you must:

- pay all of the instalments
- show that the title has passed to you

Otherwise you won't be able to include these costs in your claim.

**Do not start work, incur costs (including paying deposits) or place an order before your grant agreement has been signed.**

This will potentially make your whole project ineligible.

## Eligible costs

### The grant can be used to pay for:

- constructing a water storage reservoir (above or below ground), for use in crop production, filled by either peak flow surface water abstraction, borehole or rainwater harvested from buildings, including:
  - construction of dam walls
  - synthetic liner, if needed
  - overflow / spillway
- associated infrastructure such as
  - abstraction point including pump
  - pipework to fill the reservoir
  - water meters
  - irrigation pump(s) and controls
  - pumphouse
  - underground water distribution main and hydrants
  - filtration equipment including sand or screen filters and UV treatment
- fencing for synthetically lined reservoirs only
- best practice or innovative water application equipment such as
  - trickle irrigation (with a life of at least 5 years)
  - boom irrigators
  - software and sensors to optimise water application
- construction engineer fees for the project (as long as these don't add up to more than 15% of the project's total eligible costs)

### Are panel engineer fees eligible?

Construction engineer fees are eligible (if incurred after a Grant Funding Agreement is signed) but fees for supervising engineers and inspecting engineers are not eligible.

## Costs which are not eligible

The following are not eligible for grant funding (this list is not exhaustive).

### Agricultural business costs:

- borehole installation
- the cost of moveable fittings – like metal over-ground irrigation pipes
- hose reels
- generators
- rain guns
- buildings used for growing and harvesting agricultural and horticultural products
- standard agricultural equipment and inputs like animals and crops
- the cost of agricultural production rights and payment entitlements

### General costs:

- projects that are carried out only to meet a legal requirement
- any costs incurred before the project start date shown in the grant funding agreement
- contingency costs
- the cost of getting any permissions, consents or statutory requirements, such as planning permission
- legal costs
- supervising engineers and inspecting engineers fees
- any items which you have already had EU or national funding for (or intend to get EU or national funding for)
- relocation costs – if the business needs to relocate in order to expand, it can only apply for funding for the cost of expansion
- costs associated with the provision of housing
- marketing and promotion

## Costs which are not eligible (continued)

### Buildings, land and equipment costs:

- repairs and maintenance of existing buildings, equipment and machinery
- like-for-like replacement of existing items (such as buildings, equipment and machinery)
- purchase of machinery or equipment that will not be on the asset register of the business 5 years after completion of the project
- purchase of land, whether or not this land is built on
- renewable heat and energy systems covered by the Renewable Heat Incentive (RHI) or Feed-In Tariffs (FITs)

### Business running costs:

- salaries and running costs of the business
- in-kind contributions (this means the value of donated work or services) such as the cost of using your own labour, vehicle and office space
- recurring licence fees, subscriptions and service charges
- computers, software and printers used in the general running of the business, like processing orders or accounts
- mobile phones

### Financial costs:

- bad debts
- advance payments
- insurance policy costs
- working capital
- financial charges, such as bank charges, fines and interest
- costs connected with a leasing contract, such as a lessor's margin, interest refinancing costs, overheads and insurance charges
- reclaimable VAT
- pension provision

To check if a cost is eligible call the RPA helpline on 03000 200 301 or email [CPEnquiries@rpa.gsi.gov.uk](mailto:CPEnquiries@rpa.gsi.gov.uk)

# How to apply

**Includes:**

- **The application form**
  - **What happens after you submit your application**
  - **If you are offered a grant**
- Top tips for applicants**

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# How to apply

What you need to do to begin your application and an overview of the information you must provide.

Separate guidance is available to help you complete your application form and to meet any specific requirements relating to your project. This is called 'How to fill in a water resource management application' and can be downloaded from GOV.UK. Please make sure that you read this guidance before filling in the form.

## The application form

You can find the application form on GOV.UK – search 'RDPE Countryside Productivity Scheme application form'.

There are 2 parts to the form:

- the water resource management application form which is a Word document
- the countryside productivity application appendix which is an Excel spreadsheet

We must receive both parts of your electronic application before **29 June 2018** – if we receive an application after this deadline, we will reject it.

The application form and appendix asks for full details about you, your business and your project, including:

- a breakdown of project costs
- supplier details
- key dates and project milestones
- proposed project outputs

- cash flow forecasts
- an explanation of why you are proposing to do the project and how it will make your business more efficient and improve its productivity
- how your project fits with the priorities for funding
- the market demand for your project and its impact on similar businesses
- details of existing and new products
- details of previous public funding

You must have planning consent and relevant abstraction licence(s) in place before you apply.

You'll need to send us supporting information or documents appropriate to the project including:

- financial accounts for the most recent 3 years of trading
- latest tax returns, management accounts or a statement of income and expenses from an accountant (if you are a new business or self-employed)
- financial and production projections for at least 2 years
- relevant permissions and consents including planning consent and abstraction licence(s)

- 3 quotes, references to catalogue listings or formal tenders for each item to be purchased
- evidence of project funding
- confirmation from the supplier of any second hand items included in your project
- details and draft agreement between parties where a joint venture is proposed
- evidence that you are able to include irrecoverable VAT in your project costs, where applicable
- at least one letter of support from a third party where water is to be supplied to other growers
- a plan of your irrigation system
- reservoir plans approved as part of your planning consent

**Check the guidance on how to fill in the application form.**

This provides full details on all of the supporting information and documents listed above and what they need to show.

RPA will be holding workshops that you can attend where the application process will be explained in more detail and you can raise any initial questions you have. Search for 'Countryside Productivity' on GOV.UK for more information.

Before you send us your application, you'll need to be registered on RPA's Rural Payments service and have a Single Business Identifier (SBI) number. We won't be able to process your application without this.

## How to submit your application

Email your completed application form and appendix to CPApps@rpa.gsi.gov.uk

We can only accept forms that are:

- sent by email (as attachments)
- saved in the correct format
  - application form - Microsoft Word Document (.docx or .doc)
  - application appendix - Microsoft Excel 97-2003 Worksheet (.xls)

We can't accept these forms in any other format, including PDF documents, scanned copies or hand-written documents.

Email both parts of your application from the email address you specify in section 1 of the application form. If an agent sends the application on your behalf, that address must be copied into the email.

You will also need to print off the completed application form, sign the declaration and send the whole copy to one of the offices shown below (the nearest to the location of your project):

Rural Payments Agency  
C/o Environment Agency  
Ghyll Mount  
Gillan Way  
Penrith  
CA11 9BP

Rural Payments Agency  
Rural Development  
County Hall  
Spetchley Road  
Worcester  
WR5 2NP

Rural Payments Agency  
Rural Development  
Sterling House  
Dix's Field  
Exeter  
EX1 1QA

You can send your supporting documents by email or post with your electronic or hardcopy application form. We are unable to return any supporting documents so please send copies (not originals) with your application.

**Provide an email address that you check regularly.**

We will use the email address you put in section 1 of the form as our main way of contacting you.

## What happens after you submit your application

After you submit the form, you'll get an automatic email to say we have received it. We will then check your application for eligibility and completeness and will contact you if there is any missing or additional information required. Your application will then be assessed against the scheme criteria.

We aim to give you a decision on your application within 60 working days.

## If you are offered a grant

If you're offered a grant, we'll send you a grant funding agreement for you to sign. This will set out the legal terms and conditions of the grant, including:

- the amount of the grant
- the outputs we've agreed for your project
- which suppliers you're using

If you need to change anything in the grant funding agreement over the course of the project, you need to get written agreement from RPA first. If you don't, we could end your agreement and reclaim any grant we've already paid. You'll get more information and help with this if you're offered a grant.

## If your application is unsuccessful

If your application is unsuccessful, RPA will send you a letter with the reasons.

To find out how to appeal against the decision, read the 'How to appeal' section of the RPA complaints procedure page on GOV.UK.

## Top tips for applicants

Before you start your application, here are some important reminders...

### Productivity

The main aim of the RDPE Countryside Productivity scheme is to improve farming and forestry productivity. Tell us how your project will help do this.

### Sell us your idea

Explain really clearly what your project does and how it will benefit the economy. It's hard for us to justify giving you a grant if we don't understand your project.

### Show us what the funding will mean to the success of the project

We're obliged to invest public money carefully. We're looking for viable, growing businesses. If you can show us that your project is good value for money, and that you are planning to use the grant money to improve your project, you're more likely to get the grant.

### Do your research

You have to show that there is a real need for what you want to do, or you're unlikely to get a grant.

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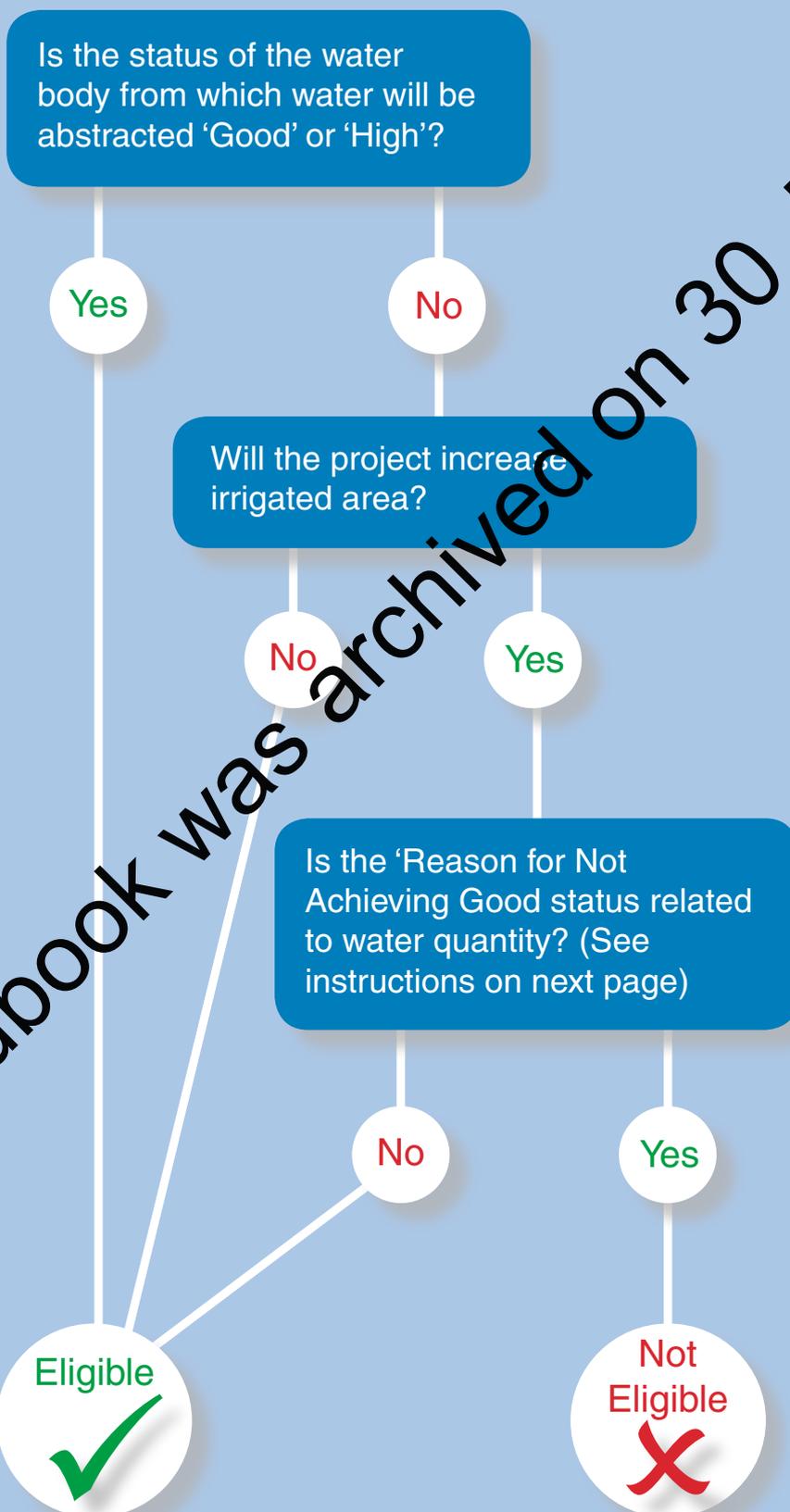
# Appendix: Water body status requirements

- How to check if your project is eligible
- How to find out the status of a water body

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# How to check if your project is eligible

The flow chart below shows the status that the water body providing water for your project needs to be.



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# How to find out the status of a water body

The following instructions describe in detail how to determine the status of a water body, and whether a project to increase irrigated area is eligible. Alternatively, you may wish to consult the Environment Agency (EA).

- Open the Catchment Data Explorer. This is accessed from the EA website, <http://environment.data.gov.uk/catchment-planning/>
- Search for the water body by the water body name. If you don't know the name, first search for a postcode and then zoom in to the location of the abstraction point on the map. This will identify the water body.
- Scroll down the page and check the water body classification as shown below.

The screenshot shows two search results for water bodies. The first is 'Stoka Brook Aylesbury' and the second is 'Thames (Aylesbury to Rivergrove Brook)'. Below the search results is a 'Water body classification' section with two dropdown menus for 'Select year: 2009 Cycle 1' and '2015 Cycle 2'. A table below shows the classification for the Thames water body.

	2009 Cycle 1	2015 Cycle 2	Objectives
Overall Water Body	Moderate	Moderate	Moderate by 2015
Ecological	Moderate	Moderate	Moderate by 2015
Chemical	Does not require assessment	Good	Good by 2015

- If the overall water body status is 'less than good' (ie moderate, poor or bad), then you need to find out the 'Reason for Not Achieving Good' classification. To do this, return to the Catchment Data Explorer home page and click on the relevant River Basin on the map.
- Click the 'Download Reasons for not Achieving Good Data' link and open the spreadsheet.

The screenshot shows a spreadsheet with columns for River Basin, Management Operation, water body name, Water bod, Water bod, Classificati, Cycle, Classificati, Classificati, Classificati, Category, Category, Reason ty, Business Si, Swmi, and Swmi. The data rows show various water bodies and their classifications for different years.

River Basin	Management Operation	water body name	Water bod	Water bod	Classificati	Cycle	Classificati	Classificati	Classificati	Category	Category	Reason ty	Business Si	Swmi	Swmi
Thames	Loddon an Loddon	Fleet Pond GB306433 Lake			2015	2	Moderate	Element	Chironomi	Water Indi	Suspected	RF	Waste wat	Point souri	Suspe
Thames	Loddon an Loddon	Heath Lak GB306429 Lake			2014	2	Poor	Element	Mitigation	Recreator	Confirmed	RF	Recreator	Physical m	Confi
Thames	Loddon an Loddon	Loddon (B-GB106039 River			2014	2	Poor	Element	Fish	Agriculture	Suspected	RF	Other (not	Physical m	Confi
Thames	Loddon an Loddon	Vyne Strea GB106039 River			2014	2	Moderate	Element	Fish	Other	Confirmed	RF		Physical m	Confi
Thames	Loddon an Loddon	Vyne Strea GB106039 River			2014	2	Moderate	Element	Fish	Other	Suspected	RF		Physical m	Suspe

- Find your water body in column D, titled 'water body name', and then check if 'Flow' is listed in column P, titled 'SWMI'. A project which would increase the irrigated area is not eligible if Flow is listed. If Flow is not listed, then it is potentially eligible.

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This document is also available on our website at <http://www.gov.uk/rpa/countryside-productivity-scheme>

Any enquiries regarding this document should be sent to us at:  
[Webmaster.rpa@rpa.gsi.gov.uk](mailto:Webmaster.rpa@rpa.gsi.gov.uk)  
[www.gov.uk/rural-payments](http://www.gov.uk/rural-payments)  
[www.gov.uk/rpa](http://www.gov.uk/rpa)

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