



Department  
for Environment  
Food & Rural Affairs



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

## **2014 to 2020 European Structural and Investment Funds Growth Programme**

**Call for Applications for capital grants to small and  
micro rural businesses.**

**European Agricultural Fund for Rural Development**

<b>Managing Authority</b>	<b>Department for Environment, Food and Rural Affairs</b>
<b>Local Enterprise Partnership Area</b>	<b>South East Midlands (SEMLEP)</b>
<b>Call Reference</b>	<b>31RD15BS0001</b>
<b>Deadline for the submission of applications</b>	<b>Friday 19 June 2015 at 1700 hours</b>

Read the [Growth Programme](#) guidance. This explains what you must do to apply for a grant, how grant applications are assessed and how to meet the terms of a grant funding offer if your application is successful.

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# 1. Call Context

## 1.1. Background

European Structural and Investment Funds (ESIF) are managed by the Department of Communities and Local Government (European Regional Development Fund (ERDF)), Department for Work and Pensions (European Social Fund (ESF)) and the Department for Environment, Food and Rural Affairs (European Agricultural Fund for Rural Development (EAFRD)). These are known as the Managing Authorities (MAs). These three funds have come together in the Growth Programme for England.

The Government has allocated £177 million of rural development funding from EAFRD for delivery through the Growth Programme. DEFRA has identified types of activity for support using rural development funding. These are:

- building knowledge and skills in rural areas
- funding and developing micro, small and medium-sized rural businesses
- funding small scale renewable investments in rural areas
- funding superfast broadband investments in rural areas
- supporting tourism in rural areas.

## 1.2 Local Enterprise Partnerships

Local Enterprise Partnerships (LEPs) are private sector-led partnerships between local authorities and businesses. Each LEP has set out in its ESIF strategy the local priorities for this funding the aim of which is to achieve economic growth in its area. There are 39 LEPs covering England, 37 have an allocation of rural development funding. To apply for this funding your business, must be located in a rural area in England.

## 1.3 Other Rural Development Funding

Other rural development support for agricultural and forestry businesses will be available through LEADER Local Action Groups (LAGs), the Countryside Productivity Scheme and Countryside Stewardship.

## 1.4 Local Context

**This call invites applications for business development grants from micro and small businesses.**

This call responds to the needs as defined in the local SEMLEP ESIF strategy, Local Implementation Plan, Rural Inclusion Plan and Social Inclusion Strategy. These documents are available at [www.semlep.com](http://www.semlep.com).

We are seeking to provide support for micro and small businesses, by adding value to the existing business support offer being delivered through the Growth Hub. This call is intended to help address the challenges rural businesses encounter in reaching mainstream business grant support. This could include: business grant support for non-agricultural activities in rural areas and support for supply chain development in key economic sectors. For example, the food and drink sector is of growing significance to the South East Midlands economy and provides the opportunities to strengthen the rural economy and support market towns.

SEMLEP's ESIF Strategy is available at <http://www.semlep.com/european-funding-2014-2020/> .

## 2. Call Overview

### 2.1 Purpose of the Call

**This call seeks applications that support micro and small businesses including businesses within the food and drink and tourism sectors.**

The Government wants to see a strong and growing rural economy, with thriving micro and small-sized businesses. This can provide support for:

- Micro and small businesses seeking to expand and create jobs;

By providing grant support for new and expanding businesses, SEMLEP wants to see an increase in rural jobs, particularly in higher paid, more highly skilled jobs; and in Gross Value Added to the rural economy.

This is the first of a planned series of calls to make funding available to rural businesses in the SEMLEP area defined as rural.

### 2.2 Support Available

This call will support the creation and expansion of rural businesses through the development of new product lines and processes. Support will be provided both on farm for diversification activities and to non-farming businesses. This call is open to all rural businesses and is not sector-specific.

Examples include:

- Processing and marketing resulting in non-Annex I products as output (no matter the input);
- Rural tourism activities linked to economic development including tourist accommodation;

- Farm diversification activities, including rural tourism, that also contribute to wider rural growth;
- Construction, re-construction or establishment of workshops, factories, plants and other premises and facilities;
- Development of crafts and handicraft activities; and
- Leisure, recreational and sport activities

**Each application will need to create at least two full-time equivalent (FTE) jobs. Priority will be given to proposals that meet SEMLEP's strategic themes of supporting food, drink and tourism businesses.** Applicants must be able to demonstrate that their project proposal would not occur without grant funding.

Applicants for this call must be either:

- farmers or members of the farm household diversifying into non-agricultural activities; or
- small and micro rural businesses.

## **2.3 Size of grants available**

Grants will be available for this call from £35,000 up to approximately £155,000 depending on the amount of de minimis state aid already received within a 3-year period. Further details on state aid rules are available from gov.uk.

Applicants can apply for a grant to cover up to 40% of the project's total eligible costs. The minimum total eligible cost of a project for this call would therefore be £87,500.

The applicant must pay for any eligible costs not covered by the grant with private funding, such as savings or a commercial bank loan. If private funding is not used, the Rural Payments Agency (RPA) can reclaim any money already paid and withhold future grant payments.

## **2.4 Total Funding Available**

The total grant funding available for the call is £852,000. Funding will be offered to a maximum of 24 projects. This is an open process, but it will be highly competitive. Applications will be assessed after the close of the deadline.

# **3. Outputs to be delivered**

The total funding available for this call seeks to achieve the following outputs:

- 48 jobs created;
- 24 businesses supported.
- Increase in wage bill as a result of grant support.

Project proposals will be expected to show how they will contribute to the achievement of these outputs in their application form.

Applicants will need to be able to demonstrate how they will deliver the outputs, committed to within the proposal along with any methodology used. Further details on the evidence requirements for each output will be available at full application stage.

Applicants will also need to ensure robust project management systems are in place, and be able to describe them, to capture and record the outputs. This will need to be detailed at full application stage. All projects will be required to collect evidence to show that outputs have been achieved and report progress with each claim.

## **4. How to apply**

There are two stages to the application process. Applications will be assessed at both stages and only the strongest will be successful. The 2 stages are:

- Stage 1: an outline application
- Stage 2: a full application

Further details on how to apply for a grant and an outline application form are available from [gov.uk](https://www.gov.uk). The applicant will only be invited to submit a full application if their outline application is successful.

Work must not start on any part of a proposed project before the applicant has received and signed an offer letter from the RPA, and returned the signed grant funding agreement. This includes ordering materials or equipment or paying a deposit on it.

## **5. Information to consider before making an application**

### **5.1 Eligibility**

There will be standard eligibility requirements for each type of grant offered. Applicants will need to refer to [gov.uk](https://www.gov.uk) for further information.

## **5.2 Register with Rural Payments**

Before you can submit your application for a grant from the Growth Programme, you will need to register on [Rural Payments](#). If you're already registered on Rural Payments, you will not need to do this again.

You can't register right now – Rural Payments will open for registrations in the next few weeks. We will provide further updates at [www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy](http://www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy) to let you know when you can register.

## **5.3 Cross Cutting Themes**

All applications received under this call must demonstrate how the Cross Cutting Themes have been addressed in the project design and development. The cross cutting themes for all projects are sustainable development and equality and diversity. Further details on these can be found in the Outline Application form.

## **5.4 Quotes**

Applicants must ensure that they obtain best value for money when buying goods or services. Further details on the number and format of quotes are available from gov.uk.

## **5.5 Publicising the Grant**

RPA will explain how the applicant must publicise the grant at the funding offer stage (this is a requirement of EU regulations).

They may expect the applicant to:

- mention it in any press releases or when communicating with customers, for example in newsletters and on their website (if applicable); and
- display a poster, plaque, or billboard, including EU logos, depending on the amount of funding received and the type of investment.

If the applicant does not do this, the RPA may apply a penalty by deducting payment from the grant.

## 6. Support

Guidance on how to apply for a Growth Programme grant is available at [www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy](http://www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy). Applicants can call the Rural Payments helpline on 0300 0200 301 or Email [GPEnquiries@rpa.gsi.gov.uk](mailto:GPEnquiries@rpa.gsi.gov.uk) for further support if required.

## 7. Submitting applications

Send the completed outline application form to [growthapps@rpa.gsi.gov.uk](mailto:growthapps@rpa.gsi.gov.uk). The RPA will email to confirm that they've received it.