

The Rural Economy Grant (REG) Full Application Appraisal Guidance

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GENERAL GUIDANCE FOR ASSESSORS

This appraisal process requires application of a combination of scoring and appraisers judgement and recommendations. The scoring boxes standardises your comments to some degree, but the opportunity to insert text above each of the scoring boxes allows you to qualify/expand on your choice and provide reasoning for your assessment of the project.

Appraisal scores help inform the final recommendation but should not be considered to be the exclusive determining factor.

In terms of the value of scores:

- 1 = poor
- 2 = adequate
- 3 = good
- 4 = excellent

Some sections replace the poor score with a reject category and where this applies this overrides the overall project score – i.e. the application will need to be recommended for refusal.

Appraisal requires the completion of two documents:

- The main appraisal template; and
- The contract spreadsheet – this supports the above by enabling analysis of the costs, accounts, outputs and financial projections. This document will also be used for contracting purposes.

The following appraisal approach should be followed:

1. Sections 3-8 should be scored and completed prior to completion of the appraisal summary (Section 1) and your overall recommendation and special contract conditions (Section 2);
2. The contract spreadsheet should be completed as you go along, e.g. the outputs table should be completed before you complete Section 7 of the appraisal template;
3. Applications should be appraised against the scoring guidance provided for each section;
4. When the most applicable score has been identified (reject, 1, 2, 3 or 4) complete the score line in the appraisal document – sub section scores live directly below the title of each section. Note that the project does not have to meet every score criterion to fit in that score category – it is about best fit;
5. Your appraisal text should be typed into the appraisal form below the section title including reasoning for your assessment of the project.
6. Some sections provide a reject score, if this is selected this acts as an overriding score for the whole project. You should however still complete the whole appraisal – you need to have fully considered the submission in order to give a full response when the rejection decision is issued;
7. Allocating the overall section score - once all sub sections have been appraised allocate an overall score for the section (reject 1, 2, 3 or 4) and insert this into the table in section 1.3. For example, if there are 4 sub sections attracting 2 scores of adequate and two of good identify what is the appropriate score overall and justify your decision.
8. When all sections have been scored complete the appraisal summary section and make your overall recommendation and recommended special conditions for the funding contract.

THE MAIN APPRAISAL TEMPLATE

Application Details

This table should be completed in the Contract Spreadsheet and copied into the Appraisal Template on completion. This should be done at the end of the appraisal as the recommended grant amount may differ from that requested.

The table itself is largely self explanatory but guidance is provided within the Contract Spreadsheet.

Appraisal and Quality Control Signatures

With regard to the section **Project Eligibility Confirmed** this is to ensure that any eligibility issues raised at the Application Eligibility and Completeness Check have been accounted for in the appraisal.

1. Appraisal Summary

This section should be completed after the scored sections have been completed.

1.1 Summary of proposal

This should be a summary of circa 200 words and should identify:

- The applicant;
- Activity of the underlying business;
- What the project is (*e.g. construction of a mountain biking centre*);
- Key objective of the proposal and summary of outputs;
- Total cost of project and cost upon which grant is sought

1.2 Background

For existing businesses:

- What is the business structure?
- Summary of its history – how it has arrived where it is today in terms of the people involved, the activity and its size;
- Who is involved;
- How and why has the proposed project come about?
- What exactly is proposed – activity, location and timescales?

For new businesses:

- What is the proposed business structure and at what stage is this in establishment?
- Who is involved?
- How and why has the proposed project come about? This should include a summary of the different options considered.
- What exactly is proposed – activity, location and timescales?

1.3 Overall proposal score.

Insert the awarded scores for each section into the table and insert total of these scores.

1.4 Key Project Strengths

Summary of key project strengths taken from appraisal – bullet point format to be used.

1.5 Key Project Weaknesses

Summary of key project weaknesses taken from appraisal – bullet point format to be used.

1.6 Issues Log

Appraisal may raise queries and concerns that warrant the appraiser requesting further information from the applicant. This section requires the appraiser to log these queries and the outcome in order for the appraisal to clearly show that the most up to date information has been used within appraisal and/or that issues have been dealt with.

2. Conclusions and Recommendations

This is where the three drivers of value for money are pulled together – rationale for funding, outputs and project costs and funding package.

Comment primarily on:

- if the project could go ahead on its proposed scale, quality, timing without REG Funding;
- quality of outputs for amount of grant invested to determine additionality funding delivers
- the management skills of the individuals involved and
- the soundness of the proposed financial package

Provide your overall recommendation:

- Reject; or
- Approve as per grant request subject to any special conditions identified in 2.1 below; or
- Approve at lower grant rate subject to any special conditions identified in 2.1 below.

2.1 Project Special Conditions

Any recommended conditions must:

- Be enforceable and legal; and
- Reasonable; and
- Build / enforce value for money; or
- Reinforce eligibility requirements

Special conditions need to be copied into Schedule 1 at the back of the Appraisal Template.

Unless there are exceptional circumstances all appraisals of Farm Competitiveness activity should include the following special conditions:

1. The business to act as a demonstration farm for other farm businesses considering similar investment and agree to host **up to 3** visits per annum over the project period where requested by industry and/or Defra;
2. The business to continue to record Animal Health and Welfare (AHW) indicators and at intervals of one, two and three years after completion of the project report on the actual performance of AHW indicators against those projected with the application. These reports to be signed by the contract holder and their vet and submitted to Defra;

3. Strategic Fit and Transformational Change

Please refer to appendices for scoring tables for individual themes.

This section looks at how the project fits with aims of the particular REG theme, the development of which has considered the strategic aims of the overall RDPE programme and the REG.

The section should:

- be scored between 2 and 4 or recommended for rejection;
- include appraisal of comments from relevant stakeholders where comment has been sought (internal or external);

The scoring system for the predominant theme on which grant is requested should be used and the benefits of secondary themes scored as wider outcomes.

Checks should also be completed on secondary themes to ensure that this investment does not fall within the reject score of the scoring system for that theme. If the reject category does apply for the secondary theme the appraiser should consider whether the secondary theme elements could be excluded from a funding contract without jeopardizing delivery of the primary theme project.

4. Rationale for Funding Request & Deadweight

Key Questions and Principles

A primary consideration of the appraisal process is the rationale for intervention i.e. what market failure(s) or equity objective(s) the project addresses to justify why Defra needs to intervene. Funding should therefore only be considered if it is clear that a market failure is being addressed and/or if the grant will appropriately enhance economic outputs. The application must demonstrate why the project will not go ahead on its proposed scale, quality, timing etc without Defra intervention.

This area is notoriously weak in most applications and the analysis of funding options can be unconvincing. There should be a strong argument made which convinces the appraiser that the proposed option with grant is the most effective solution.

Whilst the applicants need for grant is an appropriate question to consider we can only look at this against the information made available to us - monies could be held under different names and accounts that are not connected to the project and that we are unaware of (notwithstanding information made available on linked businesses). Therefore the key questions that should feed the appraisal of this section relate to the **rationale** for grant investment and what would be delivered regardless of grant (deadweight):

Have alternative options available to the business been considered and identified within the application?

For example alternative project designs, funding packages, premises and location or timescales. The reasons for going with the proposed option should then feed the next key question ...

Please provide a summary of the options analysis which has been carried out by the applicant, whether this is appropriate and how the quality of this is reflected in the score for this section.

HOW would the project progress differently without grant funding:

- Would it not happen at all?
- Would it happen but on a slower timescale?
- Would it happen but on a reduced specification
- Would it happen the same?

Applications should clearly set out the alternative development plan(s) to help appraisers identify and assess deadweight. The appraisal should be clear about the level of deadweight within the project.

WHY would the project progress differently without grant funding? Is a funding gap evidenced?

Examples:

The proposal uses all private sector funds available to the applicant. In this situation is there written confirmation from the bank that they are unwilling to loan further funds or that funds are subject to grant approval? Are there loan rejection letters?

The applicant has access to further private sector funds but identifies that there is too much risk with the project to merit private funding of 100%.

Is there clear professional advice from the accountant that they should not expose the business to further financial commitment to the project? Rather than a simple statement to their client does this provide a detailed financial analysis looking at areas such as liquidity and returns?

Further private sector funds are available to the business but are allocated to other projects/wider project costs that are ineligible for grant.

Has information been provided to evidence that these funds are already committed / needed or that the wider project costs are integral to the proposal?

Deadweight - without grant funding how would the direct outputs delivered alter?

The application should provide clear evidence as to how the outputs would change without grant funding. The scale of the differences should be assessed against the scale of the grant request and level of projected outputs with grant funding. Example scenarios would be:

- None of the projected outputs would be delivered;
- Some of the projected outputs would be delivered over a longer timescale;
- Some of the projected outputs would be delivered over the same/similar timescale;
- All of the projected outputs would be delivered but over a longer timescale;
- All of the projected outputs would be delivered over a similar timescale but commitments to business investment proposals outside of the proposal would be scaled back or shelved;

Scoring Criteria	Score
The application identifies that the project would progress as proposed with or without grant funding (high deadweight). And/or Information within the submission indicates that the applicant has sufficient funds available to cover the whole project as proposed but no rationale is provided as to why these funds cannot be used instead of grant monies.	Reject
Around half of the outputs would be delivered without the funding (medium deadweight) The impact of the grant funding is demonstrated in the proposal: How the project would be different in terms of timescale and/or scale without the requested level of grant funding is identified where it states that the project would not proceed at all without the grant funding the reasons why is provided. And Why the grant is required for the project to proceed as proposed is clearly identified. And In the event of no / reduced grant intervention the impact on project outputs is defined . Little or no evidence is provided to substantiate the rationale but there is no conflicting information within the application and no obvious reason to doubt the rationale.	2
Less than half of the outputs would be delivered without the funding (low deadweight) A funding gap is identified with a clear description of the impact made by the grant funding:	3

<p>How the project would be different in terms of timescale and/or scale without the requested level of grant funding is identified /where it states that the project would not proceed at all without grant funding the reasons are provided.</p> <p>Why the grant is required for the project to proceed as proposed is identified.</p> <p>In the event of no / reduced grant intervention the impact on project outputs is quantified and shows a substantial level of additional economic outputs would be lost.</p> <p>Evidence is provided to substantiate the rationale, no information submitted with the application conflicts with the rationale and there is no obvious reason to doubt the rationale.</p>	
<p>None or very few of the outputs would be delivered without the funding (no deadweight)</p> <p>This is a potentially highly valuable project and the Applicant has clearly demonstrated a funding gap and that without grant funding the project would not go ahead at all and substantial outputs would not be delivered:</p> <p>The reasons why the project would not proceed without grant funding are clearly set out and evidenced. No information submitted with the application conflicts with the rationale and there is no obvious reason to doubt the rationale.</p> <p>No apparent funding gap is shown for the project but the applicant has clearly demonstrated that the risk/return is such that the project is too risky to fund without grant.</p>	4

5. Market Research

5.1 Understanding of Target Market

Key Questions and Principles:

In the case of tourism, forestry, agri food and micro business projects this section will largely relate to the applicants understanding of the customers they propose to sell their product or service to:

- Does the application demonstrate a clear understanding of the direction and trends of the overall market in which their proposed product or service fits?
- Do they demonstrate understanding of different segments within their market?
- Do they identify their current and target market - customer demographic, geography etc?
- Do they identify how their product will fit with this demographic – pricing strategy etc.
- Where the proposal involves expansion/alteration of an existing business have existing customers been surveyed and results used to inform the project design?

Farm Competitiveness Applications should NOT be scored under this section - the REG offers have been built on the following:

AHW	Water	Nutrient
The importance of AHW from the point of view of moral responsibility, farm profitability and what production systems the end consumer looks for in choosing their food.	The pressures of water globally and in the UK.	The need for efficient nutrient management for environmental and financial reasons.

Scoring Criteria	Score
Some evidence for market need is presented but the size of the impact and the probability of achieving this impact is not considered or quantified. The Applicant has attempted to describe its current and target markets; however, these are not clear in all areas of product, price category, geography and demographic. Existing customers have not been surveyed.	1
The market need for the potential output is clearly stated.	2

The Applicant has provided a description of its current and target markets which is relatively clear by way of product, price category geography and demographic. Existing customers have been surveyed but detail of the survey (questions, survey population etc) is lacking or the quality of the survey is limited.	
The Applicant has clearly defined the market need and how the proposed product fits within this market. The Applicant has provided a description of its current and target markets which is quantified and realistic. Existing customers have been surveyed and detail of the survey is provided and indicates a survey of sufficient quality by way of what has been asked and who has been asked. Results of the survey are provided. The proposal indicates understanding of the broader potential of the product in the longer term.	3
The Applicant has given a clear qualitative and quantitative assessment of the market need and how their product fits with this market need. The Applicant has provided a description of its current and target markets which is realistic and has demonstrated a significant impact in the product/services offered or supported. Existing customers have been surveyed and detail of the survey is provided and indicates a survey of sufficient quality by way of what has been asked and who has been asked. Results of the survey are provided and clearly accounted for within the project design. The proposal indicates clear understanding of the broader potential of the product in the longer term	4

5.2 Demand Projections and Ability to Supply

PLEASE NOTE that the Applicants' Handbook incorrectly states that this section (7.2 in the Handbook) need not be completed by Farm Competitiveness theme applicants.

Key Questions and Principles:

In the case of tourism, forestry, agri food and micro business this will largely relate to market demand for the proposed product/service:

- Do the demand projections fit with the target market identified in section one above? For example is the size of their target demographic quantified through the use of local evidence bases?
- How has the projected level of uptake been identified? For example has a farm shop looked at other shops serving a similar demographic in terms of average footfall and spend per customer?
- Does the business have agreements with suppliers in place /suitable negotiations underway? For example a food processor proposing a **new locally branded meat product** do they have a sufficient number of farmers within the relevant 'local' geography producing to the right quality? Do **Forestry Businesses** have sufficient woodland area?
- Does the business have forward orders / letters of intent?
- Is there support from relevant organizations such as Tourism Partnerships?

Do demand projections correlate with financial projections

Guidance for farm competitiveness applicants is actually given under section 7.3 in the Applicants' Handbook, so relevant information in response to this question should be sought in applicants' responses to section 7.3. We are looking for an understanding of:

	AHW	Water	Nutrient
Demand:	Specific AHW indicators that the applicant farm can improve. Dairy - has their milk processor confirmed they	The water needs of their business and how this is influenced. E.g considerations per crop and season. Has the farms water	The nutrient needs of their business and how this is influenced. E.g. Considerations per enterprise, season and soil type.

	will take the relevant increase in supply? All - if they are supplying a niche market is their sufficient demand for any proposed increase in supply?	requirements being considered in terms of soil requirements, area of land farmed, enterprise requirements?	
	Will the project enable them to sell their products any differently? For example commanding higher prices by meeting niche welfare or environmental brands?		
Supply:	What project design features will impact on the relevant AHW indicators.	Capacity of water the proposed project design will collect. Clear relationship between the total annual water requirement and the abstraction license volume and conditions. Is the potential volume for water harvesting calculated using appropriate data such as rainfall figures. How does this fit with the demand figures? How will excess supply be dealt with? If too little how will the shortfall be met?	Level of reliance on artificial fertilizer that can be replaced by the proposed nutrient management investment. Have appropriate calculations being completed?

Scoring Criteria	Score
<p>Demand projections are not quantified indicators are not identified or are insufficiently explained and unclear</p> <p>Demand projections conflict with the target market(s) information identified in section 5.1.</p> <p>How the business will supply the demand projections is unclear.</p> <p>Farm Competitiveness:</p> <p>The AHW indicators with potential for improvement are not identified.</p> <p>The water or nutrient needs of the business are not quantified.</p>	Reject
<p>Demand projections are quantified and explained at headline level but lack detail. For example, it is not possible to identify whether seasonal fluctuations are accounted for and where peaks and troughs in demand appear.</p> <p>Demand projections align with the target market(s) identified in section 5.1 above.</p> <p>Ability to supply to the headline figures are identified.</p> <p>Farm Competitiveness:</p> <p>The AHW indicators with potential for improvement are clearly identified.</p> <p>Water or nutrient needs of the business are identified and quantified.</p>	2
<p>Demand projections are quantified, explained and broken down into appropriate sub headings and across appropriate timescales. The applicants have accounted for seasonal and product specific fluctuations.</p> <p>Demand projections align with the target market(s) identified in section 5.1 above.</p> <p>It is clear that the applicants have considered how the business will supply increasing and fluctuating demand.</p> <p>Farm Competitiveness:</p> <p>The AHW indicators with potential for improvement are clearly identified and how the proposed design will improve these indicators is understood. The application recognises how the projected improvements to AHW will increase output and identifies sufficient demand for milk and niche products.</p> <p>Water or nutrient needs of the business are quantified and how the project will meet/reduce these needs is clearly and realistically calculated.</p>	3
<p>Demand projections are quantified, explained and broken down into appropriate sub headings and across appropriate timescales. The applicants have clearly accounted for seasonal and product specific fluctuations.</p> <p>Demand projections align with the target market(s) identified in section 5.1 above.</p> <p>It is clear that the applicants have considered how the business will supply increasing and fluctuating demand and a good relationship with existing and/or proposed suppliers is</p>	4

demonstrated. Farm Competitiveness: The AHW indicators with potential for improvement are clearly identified and how the proposed design will improve these indicators is understood. The application recognises how the projected improvements to AHW will increase output and third party support confirms sufficient demand for extra milk and niche products. Water or nutrient needs of the business are quantified and how the project will meet/reduce these needs is clearly and realistically calculated. The applicants have considered how any under or over supply of these resources will be dealt with.	
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5.3 Proposed Design and/or Equipment

PLEASE NOTE: there is no guidance pertinent to this response in question 7.3 on the Application Form. The information shown there in fact refers to question 7.2 (see above).

If the information given by the applicant is considered weak, first consult with the Project Sponsor to ascertain whether guidance has been given in this area. If not, the applicant should be given the chance to strengthen the response rather than receive a weak score straight away. Use the information below to inform the guidance given.

This section may have particular relevance to farm competitiveness applications.

Key Questions and Principles:

- Is it clear that appropriate research has been undertaken into the proposed building design or equipment specification?
- Have research visits been undertaken to other businesses, has there been discussion with other businesses about what designs work and what don't?
- Have industry specific consultants been used in the specification design?
- Have trade events been attended? Are industry publications referred to?

For example has a tourism project demonstrated consideration of layout for visitor flow?

Scoring Criteria	Score
It is not clear why the proposed system(s) has been identified as most appropriate to the project.	1
The application sets out clear reasons behind the choice of system(s)	2
The application identifies alternative systems considered, identifies the reasons behind the choice of system(s) and sets out the type and timing of research undertaken.	3
The application identifies and compares alternative systems, identifies the final reasons behind the choice of system(s) The type and timing of research undertaken is identified together with information gleaned from the research and how this has informed the specification of the project.	4

5.4 Competition and Displacement

Key Questions and Principles:

What do we mean by *displacement*?

Guidance issued with the England Rural Development Programme defined *displacement* as:

- The extent to which a project's achievement leads to a loss of some or all of the same activity elsewhere in the region. Displacement of other activity within a local area can occur as a result of:
- *product effects*, where the supported activity duplicates and replaces activity in other local firms or communities producing the same type of good or service; and
- *factor effects*, where a supported activity uses local materials or labour (including voluntary), which causes an increase in costs or scarcity.

The H M Treasury Green Book Appraisal and Evaluation in Central Government in its **Economic Efficiency** section states that:

Economic efficiency is achieved when nobody can be made better off without someone else being made worse off. It goes on to say...Such efficiency enhances prosperity by ensuring that resources are allocated and used in the most productive manner possible.

In respect of delivering the RDPE, the issue is complicated by the fact that different project activities will have their own radius of influence; a farm shop is likely to have a relatively small geographic area of influence, whereas a large tourism project could have a significant influence over many hundreds of miles.

How do we evaluate the risk of displacement?

The effort used to appraise displacement should be appropriate to the level of expenditure involved, the scale and nature of the project and its timescale. Where large scale results are expected the applicant should provide a thorough analysis of the local or regional market and highlight any displacement activity which may arise. If on the other hand only small impacts are likely, then a less detailed analysis may be more appropriate.

We need to be clear that as part of the appraisal process we cannot and should not make exhaustive checks on the likelihood of displacement; we simply need to be able to demonstrate we have taken reasonable steps to satisfy ourselves that the risk is low.

Many projects will require planning permission. Those that do will already have had their proposals placed in the public domain and subject to a rigorous planning assessment; this may have included written objections from competitors, concerned about the threat to their business (displacement). Most, if not all Local Planning Authorities now have planning applications and associated documents on their website for public access.

Without grant, many projects are likely to go ahead anyway, albeit perhaps on a smaller scale or over a longer period of time - the decision to grant aid will not always be the deciding factor in the issue of displacement.

Assessing Displacement

Does the information in sections 5.1 and 5.2 above support a growing market that can accommodate a new provider or a new innovative market? If not are there clear reasons why the proposal will not displace existing businesses? E.g. is there support from the competitors setting out how they will work together to ensure both businesses benefit?

Does the application clearly understand and identify the location, name and nature of competitors already serving their target market:

- Businesses physically located within their target radius? and/or
- Online businesses outside of the physical location serving their target demographic; and/or
- Similar businesses as well as direct comparisons – for example a farm shop with butchery should consider local butchers shops not just farm shop butcheries.

Is it clear that appropriate discussions have taken place with competitors and practical steps identified to avoid displacement?

Vague statements of intent will not be sufficient and should be challenged.

Appraisers actions can include:

- Use of own/team local/national knowledge of the area and associated businesses to act as a quick check on whether the most obvious facts have been identified in the application.
- Use any known specialist skills/knowledge in the wider RDT including database checks for previous funds awarded to similar projects in the area of influence.

- Simple internet search.

Farm Competitiveness Applications should NOT be scored under this sub section UNLESS:

- applicant is an agricultural contractor;
- equipment is also going to be used by farm for contracting purposes;
- farm viability depends on supplying niche markets and the project incorporates expansion;

Reasons:

AHW – about increasing efficiencies of agricultural production. This will in most cases lead to a higher output, however, world demand for food is higher than supply.

Nutrient Management – about reducing need for artificial fertilisers. This could displace the market for artificial fertilisers, however, the over arching aims of improving the environment and farm sustainability outweigh this.

Water Resource – about reducing need for mains water and / or pressure on private supplies. Over arching Government and RDPE aims of improving the environment and farm sustainability outweigh any displacement in water sales.

Scoring Criteria	Score
No attempt has been made to assess the competition within the market And/or It is clear that the project focuses on diversion of customers from existing businesses, not on meeting a gap in market provision, a growing market or additional customer spend.	Reject
It is clear that the applicant understands who their competitors are, what their offer is but understanding of how and why their own offer will generate new/different custom is limited.	2
It is clear that the applicant understands who their competitors are, what their offer is and why their own offer largely depends on new custom to the market. Market surveys have been undertaken in relation to the proposal and indicate a gap in market provision.	3
It is clear that the applicant understands who their competitors are, what their offer is and why the viability of their own offer largely depends on new custom to the market. Market surveys have been undertaken in relation to the proposal and indicate a gap in market provision. Analysis of survey results has been completed, quantifies the gap in provision and supports a market gap at least equal to the level of demand to which the project is intended to supply. Key competitors have been contacted and any concerns raised within responses dealt with in the design of the proposal and /or support from key competitors is provided.	4

6. Financial Viability

6.1 Solvency and Financial Performance of the Underlying Business

The **financial track record of the business** allows for assessment of how well the business has been managed and its sustainability. A business that has healthy finances will be in a stronger position to commit to and deliver a project. If the business is under financial pressure and this is the main driver for the project or the accounts indicate a large unaccounted for cash surplus this should be accounted for separately in rationale for grant funding.

Where the proposal will be undertaken within an existing business the **full (profit and loss, balance sheet and notes)** underlying accounts for the last three years should be assessed alongside the full accounts of any linked businesses. The accounts assessment spreadsheet should be used as part of your assessment. Should the appraiser have concerns with the accounts and the most up-to-date set of accounts be over 6 months old they may wish to request up-to-date management accounts for the business.

Where the proposal is for a new start up business this section should not be scored but due consideration given to the capabilities and financial aptitude of the applicant in section 8.3 (Track Record and Experience of Ongoing Business Delivery Team) of the appraisal.

Chapter 5 of the RDPE programme document states that applicant businesses must demonstrate solvency and a sound and satisfactory track record.

You are NOT assessing NEED for public funding; however, any large cash surpluses within the applicant accounts or issues with linked businesses should be identified and appraised within grant rationale. You DO need to make a judgment on the financial health of the underlying business and this should be done through use of the accounts assessment spreadsheet which checks against insolvency and key financial ratios. The results of ratios from this spreadsheet do not need to be inserted but simply used as part of the appraiser's assessment comments.

Scoring Criteria	Score
Analysis of the financial information for the underlying business shows that the business may be trading whilst insolvent and /or The business is either at breakeven or making a loss in the last three financial years, profits are not sufficient to cover re-investment, the balance sheet shows gradual erosion of the net worth and liquidity of the business is poor. The risk associated with these concerns is considered to put the proposed project and business at substantial risk of failure.	Reject
The business is profitable in at least two of the last three years; however this is only sufficient to cover reinvestment as measured by depreciation and drawings for the partners or salary and dividends for the directors. The balance sheet shows net worth increasing albeit only marginally. Liquidity of the business is limited but adequate.	2
The business is showing a good level of profit over the last three years sufficient to cover depreciation and drawings and leave a surplus. Net worth is increasing. The accounts raise no concerns over liquidity.	3
The business is very profitable over the last three years. Profits are sufficient to cover a sustainable level of reinvestment in the business and drawings leaving a healthy surplus. Net worth is increasing. Liquidity is very good.	4

6.2 Financial Projections

Projects will need to supply monthly cashflow projections covering the project development period and the appraiser will need to consider these to determine whether the business has sufficient capacity to cash flow the project. Any concerns relating to insufficient cash flow should also be dealt with in 6.3 below *project costs and funding package*.

Projects will also need to supply financial projections following the financial year of the business for the period three years following the completion of the project.

The assumptions used in preparing the financial forecasts should be appropriate and detailed and relate to the market research and identified market opportunity. The appraiser needs to take a view as to how realistic the forecasts for the growth of the business are both in light of the overall economic climate prevailing and the likely prospects for the sector in which the project is positioned.

PLEASE NOTE – no guidance on financial assumptions used (question 8.2.6 in the application form) is given in the handbook. If the information given by the applicant is considered weak, first consult with the Project Sponsor to ascertain whether guidance has been given in this area. If not, the applicant should be given the chance to strengthen the response rather than receive a weak score straight away. Use the information in this section to inform the guidance given.

Scoring Criteria	Score
Little or no information on the assumptions used in the financial forecasts are given. The forecasts are not supported by /contradict the market research and market demand information. There is no confidence in the robustness of the financial projections.	1
Key financial assumptions are given along with some reasoning as to how they have been arrived at. Other assumptions are not detailed and therefore it is not clear how robust the financial forecasts are. The assumptions used are supported by the market research and market demand information in the application. The overall forecasts appear feasible and there is some confidence in the robustness of the financial projections.	2
Key financial assumptions are given along with detailed and sound reasoning as to how they have been arrived at. Other assumptions are detailed and it is clear how robust the financial forecasts are. The assumptions used are supported by the market research and market demand information in the application. Financial projections appear both robust and achievable. There is some discussion on sensitivity analysis and conclusions given.	3
Key financial assumptions are given along with detailed and sound reasoning as to how they have been arrived at. Other assumptions are detailed and it is clear that the financial forecasts are robust. The assumptions used are supported by the market research and market demand information in the application. Financial projections appear achievable. There is detailed discussion on sensitivity analysis with additional forecasts submitted and conclusions given which support both the request for grant and the viability of the project at reduced output from the project.	4

6.3 Project Costs and Funding Package

This section does not require a numerical score instead the appraiser should confirm whether or not all costs applied for are eligible, that the grant rates requested are appropriate and that sufficient private funding package is in place. The appraiser should deal with any concerns raised in the application eligibility and completeness checks and bear in mind:

Key Control C - the compliance of the operation with applicable national and Community rules (e.g. public procurement, State aid and other obligatory standards)

Key Control D - the reasonableness of the costs proposed

Fill out the three tables in the annex. The first is an internal table to assess eligibility of all project costs. Table 2.1 should list the eligible costs that will be included as part of a grant offer and table 2.2 should list the ineligible items. Tables 2.1 and 2.2 will be copied into the grant Offer Letter.

GRANT RATE(S)

Does appraisal indicate that the appropriate **GRANT RATE(S)** has been requested both in terms of value for money and eligibility? If not why not? If the appraiser is recommending reduced grant to that requested the reasons for this must be clearly stated and consideration must be given to whether the private funding package will be able to absorb the increase in required private match.

The grant should be calculated to the penny using exact figures from the quotes. Costs should not be rounded to the nearest pound.

The intervention rate should ideally be a whole number, eg 40%. If necessary for more complex projects, the intervention rate can be calculated to 2 decimal places as a maximum, eg 25.16% although this should be avoided where at all possible.

The appraiser must ensure that the recommended grant amount is less than or equal to the requested grant amount. The recommended grant amount must not exceed the requested amount.

COSTS

If there are concerns around the eligibility / appropriateness of **COSTS** what are these concerns:

- Is the cost identified as ineligible under the programme or regulations?
- Have insufficient quotes been provided?
- Is a more expensive quote selected as the preferred supplier and insufficient justification provided?
- Are there any concerns over links between the applicant and the supplier?

How do you propose to deal with any concerns?

- Are concerns of such a scale that the project should be recommended for refusal?
- Can ineligible costs simply be removed from the eligible expenditure profile of a funding offer? If so how does this affect the funding package – will a condition be required that on signature of contract they must evidence sufficient funds to cover the full cost of these costs?
- Does removing costs from the eligible expenditure profile reduce the eligible grant amount below the REG minimum threshold?
- Can concerns surrounding insufficient quotes be overcome by special conditions that additional quotes are provided on return of contract or before a funding decision can be made?
- Where insufficient justification is provided for choice of a more expensive supplier can the item remain as eligible expenditure but only to the value of the cheapest quote?

If the appraiser has any concerns around quotes from a limited company they should complete checks on companies house to check the company is operating and not a sham.

Use of QS valuations instead of quotes

Whilst we can accept QS reports completed by a qualified QS where there are appropriate reasons, there are points to bear in mind:

- Prior to claim they will need to show that the tender process has been completed and at least three quotes/tenders received
- The REG funding contract will need to set out costs as per QS report but subject to completion of the tender process
- Eligible costs within the contract will be the maximum upon which grant can be claimed, i.e. they cannot go up once tenders are in – this is obviously for our budget management reasons;
- In relation to the above the eligible cost can however come down. Post-tender and prior to grant claim the applicant will need to identify the chosen supplier and cost. Where this is not the cheapest, justification must be given.

FUNDING PACKAGE

If there are concerns around the **FUNDING PACKAGE** what are these concerns and how do you propose to deal with them:

- Is there insufficient long term finance to cover the match?
- Is there insufficient short term finance to bankroll the grant or cashflow the business (see comments in 6.2 above)?
- Are elements of the package not private match?

- Are private funding agreements vague?
- Are concerns of such a scale that the project should be recommended for refusal?
- Can concerns be overcome by special conditions?

You may wish to consider the appropriateness of deferring decisions until sufficient information is provided.

STATE AID, PREVIOUS PUBLIC/EUROPEAN FUNDING AND DUAL FUNDING CHECKS

Appraisers must comment on:

- previous public or European grant funding declared in the application form and the applicant's eligibility to receive RDPE grant support, against the proposed measure.
- any state aid issues / measure specific state aid regulations that have been considered and addressed, confirming eligibility to receive RDPE funds at the proposed level
- dual funding / PO checks that have been carried out, confirming that the REG application can proceed

These checks confirm that procedures are in place to avoid irregular double financing with other Union or national schemes and with other programming periods. Where financing from other sources exists, those checks shall ensure that the total aid received does not breach the maximum permissible aid ceilings.

7. Outputs and Outcomes

Business plans should provide a breakdown of output and results targets in accordance with the RDPE.

Are the outputs and milestones specific, measurable, achievable, realistic and timely?

Have baseline figures been given for the outputs proposed which illustrate the growth intended? The Application Form/Guidance does not prompt this inclusion and appraisers should either request the information (where it is essential to appraise the improvement facilitated by a project) or make it a condition of the grant offer that suitable information is provided upon return of grant contract.

Fill out the contract tables in the annex, summarise the tasks to be carried out, the intended start and end dates, intermediate milestones, dependencies and resources.

Does the proposal create new jobs, safeguard existing employment or simply sustain existing?

Are these high quality jobs or do they address economic exclusion or access to work issues?

7.1 Jobs and Skills

The creation safeguarding and sustaining of jobs are key outputs under a number of the REG themes, in particular agri-food, tourism and forestry. Projects addressing farm competitiveness are less likely to create jobs, but will help with sustaining posts.

In some instances a REG project will safeguard posts, however, appraisers should be certain that the delivery of the project will genuinely safeguard jobs, i.e. the jobs are genuinely at risk of redundancy. Should the appraiser be concerned that the application is incorrectly claiming jobs safeguarded they should request further information from the applicant to identify whether they mean safeguard or sustain, for example, through evidence of redundancies made in recent years/ redundancy consultation.

The quality of the jobs created by the project and the approach of the business to training and development should also be considered.

Scoring Criteria	Score
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The jobs created or sustained by the project are not clearly defined, and there is no indication of the quality of these jobs. Where the number of jobs created is defined the project appears to create a lower number of jobs than for similar projects. No indication of ongoing training or staff development	1
The jobs created and sustained by the project are clearly defined. Where jobs are indicated as safeguarded the case for this is clearly made. The number and skill level of the jobs is similar to those for other projects in this theme. There is an indication that ongoing training will be provided to employees but no detail given.	2
The jobs created and sustained by the project are clearly defined. Where jobs are indicated as safeguarded the case for this is clearly made. The number and skill level of the jobs is similar to those for other projects in this theme or may be more in number and / or of a higher average skill level. There is some discussion of the ongoing training and development of the jobs created by the project.	3
The jobs created and sustained by the project are clearly defined. Where jobs are indicated as safeguarded the case for this is clearly made. The number and / or skill level of the jobs is higher than those for other projects in this theme. There is clear information on how the business will train and develop its staff both those resulting from the project and the wider business.	4

7.2 Direct Outputs

Projects should clearly demonstrate outcomes and outputs. Appraisers should assess the number and level of the outputs from the project and where available refer to the value of these compared to similar theme projects.

In determining whether outputs are direct appraisers should consider whether the outputs are results of activities that can be clearly stated or measured and which relate in some way to the outcomes desired? Those outputs we wish to include as targets within funding contracts should be appraised in this section. Targets should be SMART:

Specific;
Measurable;
Achievable;
Relevant; and
Time-bound.

Outcomes that do not fit in the above should be considered under section 7.4 below.

Scoring Criteria	Score
Outputs from the project are not clear or do not appear appropriate to the scale and activity of the project (either too few or too many). Where outputs are defined there is no or little evidence to support the declared outputs.	1
Outputs from the project are clear and appear appropriate to the scale and activity of the project. The declared outputs are supported by information in the application. The outputs are limited and grant cost per output unit appears high compared to other projects.	2
Outputs from the project are clearly defined and information in the application supports that they are appropriate to the scale and activity of the project.	3

The declared outputs are supported by information in the application. The number and grant cost per output unit is similar to other projects.	
Outputs from the project are clearly defined and information in the application supports and evidences that they are appropriate to the scale and activity of the project. The declared outputs are supported by information in the application. The number and grant cost per output unit is above that for similar projects.	4

7.3 Gross Value Added

- Step 1: On tab 2 of the Full Application Appraisal Spreadsheet there is the GVA calculation template to complete.
- Step 2: Insert the requested data into the yellow shaded boxes only (further guidance below).
- Step 3: Record the resulting GVA figures in this section of the appraisal form with appraisal comments.

This section should not be scored.

What is Gross Value Added (GVA)?

Gross Added Value is the chosen method of measuring the increase in economic activity of projects. Under the UK National Accounts, GVA is defined as: ‘‘The value generated by any unit engaged in production (of goods and services)...’ It is measured at basic prices, i.e. it excludes taxes on products (such as Value Added Tax).

The Required Data Input

The template requires data input relating to two sets of information that should have been submitted with the application:

- the historic accounts of the applicant business covering the last three years (this does not apply to start ups); and
- the financial projections for the first three years following project completion.

The main components of the calculation are:

- gross profit (i.e. sales/turnover minus direct /variable costs/ costs of sales and direct labour costs); and
- direct labour costs (costs of those people who are directly making the product, providing the service)
- Full-time equivalents (FTEs), one FTE defined in the REG Full Application Handbook Section 12 as a minimum 30 hours per week. Any part time jobs should be expressed as a proportion of a FTE, e.g. 2 full time employees and one employee covering 15 hours a week equates to 2.5 FTE. If submitted historic accounts provide FTE figures use these for the last three years; otherwise assume ‘‘Current Year’’ FTE figure applies to the most recent annual accounts.

The calculation relating to projections also requires the input of indirect costs aka fixed costs as well as other and exceptional items. The latter two (other and exceptional) may by their very nature include a wide range of costs. If such costs are included, an assessment should be made on a case-by-case basis as to whether they should be entered into the spreadsheet and therefore subtracted from the calculation of GVA. Please seek advice from a financial specialist if there is any uncertainty.

Calculation Results for GVA and GVA per FTE

Once the requested data has been inputted the template will automatically show the trend in GVA for the business overall and the increase in GVA per employee. Appraisers should make comment against both the change in GVA for the business and per employee.

Care should be taken in interpreting the Year 1 GVA change if there is a time gap between the most recent historic accounts and the start date of the Year 1 projection (for example, if data for the business's current financial year has not been provided). The appraiser's comments on GVA should take account of the completion date of the project, and where possible the period when the full financial benefit of the project is achieved.

Historic accounting data will be taken from the applicant's Profit and Loss Account, which has been drawn up on an accruals basis. The applicant's financial projections are on a cash basis, and so there is the potential for a mismatch in the way GVA is being calculated. However, it is anticipated that the effect on the trend in GVA and GVA per head will not be significant. Please seek specialist advice if the spreadsheet outputs appear unusual.

Comparative data is not currently available by industry sector (Standard Industry Classification code), but if this becomes available comment should be made against the industry average GVA per employee and forecast percentage increase in GVA per employee.

7.4 Wider Outcomes

Many projects will have wider outcomes/ multiplier effects delivering indirect outputs and benefits to the rural/local economy or relevant economic sector. Whilst these cannot be measured directly and monitored as part of the project outputs, the appraiser should assess the level of wider outcomes and multiplier benefits created by the project.

Multiplier effects - further economic activity (jobs, expenditure or income) associated with additional local income, local supplier purchases and longer-term development effects as a result of increased investment.

Example wider outcomes to consider include informal collaboration (formal collaboration should be a direct output), innovation and animal well being.

An example multiplier effect may be job creation within a business that will benefit from increased demand by the applicant business. In this situation they may have provided written support that this project will benefit their business and lead to xxx new jobs, however, we are not contracting with this business and should not therefore consider this job creation as a direct output.

This section should also take account of the applicant's answers to the application form questions relating to project impact on different equality groups and communities and sustainability and environmental impact providing the project does not provide for direct outputs relating to these that are dealt with 7.2 above.

Scoring Criteria	Score
Either, no wider outcome or multiplier benefits are declared for the project, or are not clearly defined or considered and do not appear to be of high value.	1
Wider outcomes and / or multiplier benefits are declared and these appear appropriate to the project. Number and type are similar to other projects for this theme under the REG.	2
Wider outcomes and / or multiplier benefits are declared and there is discussion justifying how these are appropriate in scale and value to the project. Number and type are considered to be above those for other projects for this theme under the REG.	3
Wider outcomes and / or multiplier benefits are declared and there is discussion justifying how these are appropriate in scale and value to the project. Number and type are considered to be well above those for other projects for this	4

theme under the REG and there is some evidence/ support for these, for example, the increase in orders to a business supplying into the project will provide further job creation and turnover in that business.	
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8. Deliverability

Assess the project management system to be used and whether project roles and responsibilities have been assigned:

- Is the timetable of activities realistic?
- Is there a project-management track record to manage this sort of project during project development and post project implementation?
- Are there enough resources committed to the project?
- Does the management team have clearly identified roles or not?
- What and where are the risks with this project?
- Does the project have a clear marketing plan?
- Is a clear exit plan identified or not?

PLEASE NOTE – the relevant guidance in the Applicant's Handbook does not align with the questions on the application form (section 10). If the information given by the applicant is considered weak, first consult with the Project Sponsor to ascertain whether guidance has been given in this area. If not, the applicant should be given the chance to strengthen the response rather than receive a weak score straight away. Use the information in this section to inform the guidance given.

8.1 Marketing Plan

The application form and supporting information should contain details of the marketing plan for the project. This will vary from theme to theme:

Commercial projects such as adding value, forestry and tourism projects will need to demonstrate a marketing plan appropriate to the scale of the project. This is likely to include information on the marketing channels to be used, a timetable of marketing activity, roles of people involved and detail on how the affectivity of the marketing plan will be measured.

Ultimately the marketing plan will be driving uptake / sales of the project and so management of sales will form part of this section. The forecast projections of the project should be considered when looking at this section to ensure that the marketing plan is appropriate for the scale of the project and the forecasts.

For other projects such as farm competitiveness a marketing plan may simply not be needed, and therefore this section should not be scored.

Scoring Criteria	Score
The applicant has not discussed the existing businesses current approach to marketing. There is little detail as to how the project will be sold into the market place and the market approached. Only vague reference to promotion and advertising are provided with no clear identification of the marketing channels to be used. It is not clear who in the management team will be responsible for marketing of the project.	1
The applicant has discussed briefly the current marketing activity of the business concentrating more on the channels used than the overall marketing plan. There is an indication that the marketing activity has been successful in the past, but discussion of how this will impact on the project is not detailed. Brief indication that there is a timetable or diary of the marketing activity, but this is not fully discussed and supporting information is not detailed.	2
The applicant has discussed in detail the current marketing activities of the business and has shown that it is appropriate that this marketing activity should continue. It is clear that the channels used are appropriate for this project and therefore an extension of the current activities is needed.	3

Timetables of previous and proposed marketing activity are submitted with outline timings and actions for the first 6 to 12 months of the project. It is indicated that success of marketing activity will be monitored and altered as necessary. Key individuals are identified and relationship with sales activity is discussed.	
Detail of the current marketing activity of the business is provided with discussion as to how this has developed over time having measured the success of the marketing carried out and reacted to this information. There is full discussion of the marketing channels currently used and good analysis of which of these are appropriate for this project. It is clear how the marketing activity will be monitored and how this information will be used to develop and increase the effectiveness of the marketing activity. Detailed timetable of marketing activity for at least 12 months provided with the names of members of the management team is included. Close working with the sales function is apparent with the opportunity for dialogue between the two functions.	4

8.2 Project Delivery Team - Track Record & Experience of Project Delivery Team

Keep in mind Key Controls - reliability of the applicant with reference to any previous co-financed operations undertaken since 2000. Please refer back to the Eligibility and Completeness Checks completed on the application.

CVs of key members of the project delivery team should have been provided with the application and these documents will be key to informing this section of the appraisal.

Are proposed timescales for development and grant claims realistic? Is the application consultant or applicant led – if the former is there any obvious risk that the applicant is not clear about what the consultant is proposing?

Successful delivery of the project will allow the business to develop in line with the milestones indicated. Therefore the project delivery team need to be suitably experienced with delivery of the type of project being undertaken.

Where the applicant does not have a track record and experience of the delivery of this type of project they should demonstrate that use of a team with the appropriate experience and the means of managing the team will delivery the project on time.

Scoring Criteria	Score
The applicant has limited experience of delivery, the scale of the project is beyond this experience and no appropriate experience is to be brought in. The application does not clearly explain who will be involved in the delivery of the project and how the resources and inputs will be managed. Roles and responsibilities and overall management of the project are identified but not discussed. There is a lack of clarity on the permissions and licences required for the project which are critical to the project going ahead as planned.	Reject
The applicant has good experience of similar projects, or has some experience of smaller projects and has identified that additional resource and help will be required. Key members of the project management team are identified and some indication of relevant skills and experience given. There is limited information on the proposed ongoing management of the project and how it will be delivered to timescales and budget. Recognition of the necessary licences and permissions, but limited discussion and / or lack of clarity on when these will be obtained.	2
The applicant either has good experience of similar projects, or has some	3

<p>experience of smaller projects and has sourced and secured additional resource and help.</p> <p>Key members of the project management team are identified and detail of relevant skills and experience given.</p> <p>There is an indication that the members of the project delivery team have worked together in the past and a formal structure such as regular site meeting to ensure the progress of the project against timescales and budget is proposed.</p> <p>Evidence that the necessary licences and permissions are in place or have been applied for with dates and indication of confidence for approval.</p>	
<p>The applicant has good experience of similar projects.</p> <p>Key members of the project management team are identified and detail of relevant skills and experience given.</p> <p>The members of the project delivery team have worked together in the past and a formal structure such as regular site meeting is proposed and timetabled as part of the project delivery to ensure the progress of the project against timescales and budgets.</p> <p>All licences and permissions are in place or full and reasoned explanation as to how these will be granted as the project progresses.</p>	4

8.3 Ongoing Business Delivery Team – Track Record & Experience

CVs of key members of the ongoing business delivery team should have been provided with the application and these documents will be key to informing this section of the appraisal.

The successful operation of the project will depend on the day to day operation of the business and the people making up the ongoing business delivery team. Therefore the team responsible for the day to day management and operation of the business should have the skills and experience to make the business a success and achieve the forecast outputs and outcomes indicated in the application. For projects where there is revenue support, the sustainability of the activity once the funding ceases should be clear (the exit strategy).

For projects involving a new start up business strong consideration should be given to the capabilities and financial aptitude of the applicant.

Monitoring plan - has the applicant considered how progress will be evaluated?

Scoring Criteria	Score
<p>One or more of the business principles has a history of disqualification as a Director or insolvency and the application raises concerns that this history may have a negative impact on this project that cannot be overcome through contract conditions.</p> <p>The applicant has limited experience of business management including associated financial management and the scale of the new business is beyond this experience.</p> <p>The application does not clearly explain who will be involved in the day to day management of the business, and how the resources including staff and inputs will be managed.</p> <p>Roles and responsibilities and overall management of the project are not discussed.</p> <p>Training has not been considered.</p> <p>No discussion of sustainability of revenue costs.</p>	Reject
<p>One or more of the business principles has a history of disqualification as a Director or insolvency but the application identifies how the circumstances surrounding this history have / will be overcome.</p> <p>The applicant has good experience of operating this type of business, including associated financial management and it is clear that they are capable of meeting the challenge of the transformational project or</p> <p>The applicant has some experience of managing similar business activity and has</p>	2

<p>identified the skills and experience that will be required to achieve the forecast outcomes and outputs.</p> <p>Key roles of the business management team are identified including if people are already in post.</p> <p>Training of some staff may be required, but this is not discussed in detail.</p> <p>Indication that ongoing revenue costs will be covered by the business, but only limited detail given.</p>	
<p>The applicant has good experience of this type of business, including associated financial management and it is clear that whilst challenging the proposal is within their capability, or</p> <p>The applicant has some experience of smaller projects, has identified the skills and experience required and have secured some additional resource for the business.</p> <p>The key members of the project management team are identified and named where already in post, and detail of relevant skills and experience given.</p> <p>There is a timetable for the recruiting of new staff and the introduction of new resources to achieve the outputs and outcomes, although some detail is lacking.</p> <p>There is an indication that the current team work together and have been successful.</p> <p>Training requirements over the short term are identified and discussed.</p> <p>There is discussion on how any revenue costs will be sustained after the period of funding.</p>	3
<p>The applicant has good experience of this type of business including associated financial management and it is clear that the project is well within their capability.</p> <p>A clear understanding of the people, skills and resources required to achieve the outputs and outcomes is evident in the application.</p> <p>The key members of the management team are identified and detail of relevant skills and experience given.</p> <p>The members of the management team have worked together in the past with success, and the application gives details of the management processes in place to monitor performance, identify variance and process to ensure the business achieves the outcomes and outputs.</p> <p>Training and other staff development activities are identified and there is clear ongoing commitment to staff development to the benefit of the business.</p> <p>There is clear and concise discussion supported with evidence on how any revenue costs will be sustained after the period of funding.</p>	4

8.4 Risk Analysis and Mitigation

Applications should provide an analysis of the risks involved in the development of the project and ongoing business success and identify appropriate mitigation of these risks. This should inform the overall business plan and help to ensure the success of the project and ongoing business activity.

There is no specific guidance on risk analysis in the Applicants' Handbook, however a separate [Risk & Issue Guidance Note](#) has been produced for the use of the Project Sponsor and Appraiser. If the risk analysis is seen as weak, first check with the Project Sponsor to see if any such guidance has already been given. If not, the applicant should be given the opportunity to strengthen their submission in this area.

This is likely to be more important for commercial projects such as tourism, adding value, rural micro and forestry projects. There will be risks to be addressed in other farm competitiveness projects but they may have less potential impact on the success of the project.

A consideration would be whether the impact of restrictive planning conditions have been considered.

Applicants are also invited to tabulate issues affecting the project here. Again, there is no specific guidance on this aspect in the Applicants' Handbook, but information is included in the [Risk & Issue Guidance Note](#). Non-completion of the issues log should not negatively affect the appraisal score.

Scoring Criteria	Score
Little or no information on the risks to the project are provided. There is no real analysis of the potential risks to the project and as a result mitigation not considered.	Reject
Major risks are identified and there is some discussion of the potential impact of these risks. Some discussion on mitigation, but lacking detail and clarity.	2
Major and some minor risks are identified along with clear discussion of the potential impact of these risks. There is discussion of mitigation which is clear and appropriate with some discussion of appropriate options. Supporting evidence is submitted showing the process used to identify risks.	3
Major and minor risks are identified, categorised and ranked. Mitigation is clear, concise and appropriate to the risks identified. Good supporting documentation and information showing approach to and process of identifying and mitigating the risks to the project.	4

Contract Tables and Information

Project Specific Conditions

Insert any Specific Conditions from the front of the TA

Project Specific Eligible Expenditure

Insert your completed version of the project costs spreadsheet from the application, as per the Contract Spreadsheet

Project Outputs & Results

Insert your completed version of the outputs spreadsheet from the application, as per the Contract Spreadsheet.

NB earlier versions of the EAFRD Outputs form may not align correctly with ROD for upload purposes.

Outputs years should follow financial years – if year one is subsequently short, e.g. February 2013 to 31st March 2013 outputs over 4 years may be appropriate.

Appendix A:	Strategic Fit Scoring Tables – Nutrient Management RDT Theme Lead: Louise Hardcastle Yorkshire and Humber
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Key Questions and Considerations

- Will the project improve the holding's overall nutrient resource management?
- Does it take a whole farm approach and implement a nutrient management plan?
- Will the project provide an exemplar of best practice in nutrient management, implementing new ways of working and/or new technologies?
- Will the project offer collaboration and/or demonstrably benefit other businesses?

Scoring Criteria	Score:
<p>Relevant parts of the farms Nutrient management plan have not been provided or included within the application text.</p> <p>Current nutrient use / projection figures have not been provided /are provided but are incomplete / do not fully reflect the project.</p> <p>Environment Agency support for the proposal is not provided / indicates concerns with the proposal / clearly identifies priority areas for investment that are not addressed by the proposal and that cannot be overcome with contract conditions.</p> <p>The design of the proposal does not fully meet relevant best practice design criteria as agreed at Outline Application stage.</p> <p><i>Before rejecting consider whether the key concerns can realistically be overcome by special conditions or removed from any grant offer without undermining the overall project standard.</i></p>	Reject
<p>The activity proposed meets all best practice criteria agreed at outline application stage but the project has not been developed as part of a whole farm approach and is an independent investment for one area of the business.</p> <p>Environment Agency support for the proposal is provided and the proposal addresses the wider Nutrient Management issues/opportunities identified either directly through the proposed REG project or the wider farm investment plan.</p> <p>It is clear what Nutrient Management indicators are targeted by the proposal and the extent to which they will be improved by the proposal or that the project will allow extraordinary high Nutrient Management to be maintained. However, due to the limited nature of the proposal, the outputs are not as extensive as they could be for the whole business.</p> <p>The applicant has not fully documented how the outputs will be recorded, monitored and reported and this will need more consideration as part of the appraisal and offer letter conditions.</p> <p>Consideration has been given to how the proposal fits with the enterprises management and staffing systems but not how necessary changes will be implemented.</p> <p>The application provides limited appraisal of the quality of the wider Nutrient Management Systems.</p> <p>Exploration of new technologies is minimal or not demonstrated and they are not included in the project. The application does not demonstrate that the project is of a progressive nature or has been considered for the longer term benefits it will bring.</p> <p>Information sharing, best practice demonstration events/visits are not incorporated, or are included, but are not fully explained to show full planning of these elements. Additional work at offer letter stage will be required to ensure the benefits are captured and reported to Defra.</p>	2
<p>The activity proposed meets all and in parts exceeds relevant best practice criteria agreed at outline application stage. The project will facilitate a transformational change for the business.</p> <p>Proposed technologies have been shown to be in the stages of early adoption to the industry.</p> <p>The proposal fits with a wider appraisal of the farms Nutrient Management Systems and wider</p>	3

<p>issues/opportunities are addressed either through the proposed REG project or the wider farm investment plan. Improvements already made / proposed as part of a wider investment plan are detailed and a funding package evidenced for implementation of the wider investment plan.</p> <p>An appropriate Nutrient Management plan as part of a whole farm approach is implemented</p> <p>It is evident that there has been Environment Agency / relevant professional input to the design of the proposals.</p> <p>Detailed consideration has been given to how the proposal fits with enterprise management and staffing systems. Commitment to necessary changes is demonstrated by way for example of a time framework for their implementation and recognition of any financial implications.</p> <p>The business is clearly aware of wider industry developments and strategies.</p> <p>The project has considered collaboration and or benefit to other businesses and this has either been discounted, with clear and acceptable reasoning, or is being delivered within the project but in a small way, with the majority of the benefit still being to the applicant business.</p> <p>It is clear what Nutrient Management indicators are targeted by the proposal, the extent to which they will be improved/ extraordinary high NM maintained and how these are calculated.</p> <p>Information sharing, best practice demonstration events/visits have been considered and excluded with exceptional and acceptable reasoning. Or demonstration and sharing best practice will be delivered as part of the project. Grant conditions may be needed to support the applicant to agree to a clear plan for delivery and provide feedback to Defra.</p>	
<p>The activity proposed meets all and in many areas exceed relevant best practice criteria agreed at outline application stage. The project will facilitate a major transformational change for the business and possibly the industry.</p> <p>Proposed technologies are shown to be very new to the industry with the proposal being within first 5 in England.</p> <p>A comprehensive and long term farm nutrient management plan is in place and is being implemented. The REG project can clearly be seen to be part of a suite of proposals to improve nutrient resource management across the holding, as a whole farm approach.</p> <p>It is evident that there has been Environment Agency / relevant professional input to the design of the proposals and that extensive advice has been taken to align the AHW advice with business.</p> <p>Detailed consideration has been given to how the proposal fits with the enterprise management and staffing systems. Commitment to necessary changes is demonstrated by way for example of a time framework for their implementation and financial requirements connected to these changes are clearly set out and budgeted for.</p> <p>The business is clearly forward thinking, aware of wider industry developments and strategies and is comfortable with early adoption of innovative industry developments.</p> <p>The project also provides for investment in other REG themes.</p> <p>The project is of a true collaborative nature and the application provides evidence to demonstrate how the project will directly benefit other businesses. Projections of benefits to those businesses are clear, relevant and measurable.</p> <p>It is clear what Nutrient Management indicators are targeted by the proposal, the extent to which they will be improved/ extraordinary high NM maintained and how these are calculated. The applicant has fully documented how the outputs will be recorded, monitored and reported.</p> <p>A comprehensive plan for information sharing, best practice demonstration events and visits has been drawn up and will be implemented. The proposed plan incorporates how best practice feedback can be shared with Defra. All of this can be easily slotted into a grant offer letter.</p>	4

Appendix B:	Strategic Fit Scoring Tables – Animal Health and Welfare RDT Theme Lead – Louise Hardcastle Yorkshire and Humber
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Key Questions/Principles:

Consider the quality of the proposal on which grant is sought **and** the needs of the wider holding – does the application appraise needs / opportunities for improvement in wider facilities and are these dealt with in the wider investment plan.

Is the project on which grant is sought above standard production - does it offer best practice and/or innovation?

Is the project compliant with best practice design spec where it is identified by the REG?

Is the project the same as that approved at outline stage? If not have any alterations been agreed by Defra as eligible?

Complete Checks

Checks must be completed with the AHVLA **for all** AHW applications prior to completion of the appraisal. Appraisers should provide the AHW Theme Lead with the applicants SBI number, business name, address and nature of the business. The Theme Lead will provide this to the AHVLA and report back on comments received which should be within a two week period.

Certain AHW applications will need to be forwarded to the relevant Defra policy teams for comment prior to completion of the appraisal. Should the appraiser have any projects that fall into any of the AHW categories below they should contact the AHW Theme Lead who will liaise directly with the relevant Defra policy contact(s):

- Applications for investment in novel husbandry systems (i.e. investments that purport to be best practice but that are not specified in the AHW technical appendix);
- Applications for investment in pig enterprises with 100+ breeding sows;
- Applications for investment in the farms Dairy Enterprise that:
 - Operate on or propose to change to a zero grazing system; and/or
 - Involve a change in housing system from straw yard to cubicles; and/or
 - Involve a herd of 200 + dairy cows
- Applications scoring strongly and recommended for approval but where the appraiser has particular concerns surrounding increased intensification.

Scoring Criteria	Score:
<p>Veterinary support for the proposal is not provided or indicates concerns with the proposal and/or clearly identifies further priority areas for investment that are not addressed by the proposal. And/or</p> <p>Relevant queries / concerns have been raised by Defra policy and/or Defra partners that cannot be overcome with contract conditions.</p> <p>The design of the proposal does not fully meet relevant best practice design criteria by way of specifications set out by the REG. And/or</p> <p>The design of the proposal does not fully meet other best practice design criteria on which the approval at outline application stage was based.</p> <p><i>For the above two points before rejecting consider whether any non compliance can realistically be overcome by special conditions or removed from any grant offer without undermining the overall AHW standard of the project.</i></p>	Reject
The activity proposed meets all relevant best practice criteria set by REG/agreed at outline application stage but offers area(s) of isolated improvement to the business rather than a transformation of the business.	2

<p>Veterinary support for the proposal is provided and the proposal fits with the key veterinary recommendations and addresses the wider AHW issues/opportunities identified either directly through the proposed REG project or the wider farm investment plan.</p> <p>It is clear what AHW indicators are targeted by the proposal and whether they will be improved by the proposal or that the project will allow extraordinary high AHW to be maintained.</p> <p>Consideration has been given to how the proposal fits with the enterprises management and staffing systems but not how necessary changes will be implemented.</p> <p>The application provides limited appraisal of the quality of the wider livestock housing and handling facilities. This identifies whether improvements to these are also appropriate to transform AHW and profitability on the holding and improvements already made / proposed as part of a long term investment plan are detailed.</p>	
<p>The activity proposed meets all and in parts exceeds relevant best practice criteria set by REG/agreed at outline application stage. The project will facilitate a transformational change for the business.</p> <p>Proposed technologies have been shown to be in the stages of early adoption to the industry.</p> <p>The farms vet has completed a full AHW appraisal of the needs/potential of the enterprise. The proposal fits with the key recommendations of this appraisal and addresses wider AHW issues/opportunities identified either directly through the proposed REG project or the wider farm investment plan.</p> <p>It is evident that there has been veterinary input to the design of the proposals. Professional advice has been taken to align AHW advice with business.</p> <p>The application considers the quality of the wider livestock housing and handling facilities. This identifies whether improvements to these are also appropriate to transform AHW and profitability on the holding. Improvements already made / proposed as part of a long term investment plan are detailed and a funding package evidenced for implementation of the wider investment plan.</p> <p>Detailed consideration has been given to how the proposal fits with the enterprise management and staffing systems. Commitment to necessary changes is demonstrated by way for example of a time framework for their implementation and recognition of any financial requirements connected to these changes.</p> <p>Plans and information submitted on the wider livestock housing and handling facilities show elements of best practice design (as per REG guidance and/or approved industry research and guidance).</p> <p>The business is clearly aware of wider industry developments and strategies.</p> <p>No queries or concerns raised by Defra policy and /or Defra partners.</p> <p>Investment in other REG themes is proposed and does not fall within the reject category for that theme.</p>	3
<p>The activity proposed meets all and in many areas exceed relevant best practice criteria set by REG/agreed at outline application stage. The project will facilitate a major transformational change for the business and possibly the industry.</p> <p>Proposed technologies are shown to be very new to the industry with the proposal being within first 5 in England.</p> <p>The farms vet has completed a full AHW appraisal of the needs/potential of the enterprise. The proposal fits with the key recommendations of this appraisal and addresses wider AHW issues/opportunities identified directly through the proposed REG project or the wider farm investment plan.</p> <p>It is evident that there has been strong veterinary input to the design of the proposals and wider</p>	4

<p>investment plans and that extensive advice has been taken to align the AHW advice with business.</p> <p>Detailed consideration has been given to how the proposal fits with the enterprise management and staffing systems. Commitment to necessary changes is demonstrated by way for example of a time framework for their implementation and financial requirements connected to these changes are clearly set out and budgeted for.</p> <p>Plans and information submitted on the wider livestock housing and handling facilities show a strong adoption of best practice design (as per REG guidance and/or approved industry research and guidance).</p> <p>The application considers the quality of the wider livestock housing and handling facilities. This identifies whether improvements to these are also appropriate to transform AHW and profitability on the holding. Improvements already made / proposed as part of a long term investment plan are detailed and a funding package evidenced for implementation of the wider investment plan during the lifetime of a REG funding contract.</p> <p>The business is clearly forward thinking, aware of wider industry developments and strategies and is comfortable with early adoption of innovative industry developments.</p> <p>The project is supported by Defra policy and / or Defra partners.</p> <p>Investment in other REG themes is proposed and does not fall within the reject category for that theme.</p>	
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Appendix C:	Strategic Fit Scoring Tables – Water Resource Management RDT Theme Lead: Alex King East Midlands
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Key Questions and Considerations

Will the project improve the holding's overall water resource management, considering and providing benefit to the wider farming activities, whilst taking a whole farm approach and implementing a water management plan?

Will the project provide an exemplar of best practice in water management, implement new ways of working and/or new technologies to improve long term water management sustainability and efficiency on the holding?

Will the project offer true collaboration and demonstrable benefit to other businesses?

Is the project the same as that identified at outline stage in terms of overall project, costs and requested items?

Scoring Criteria:	Score:
<p>Project has altered considerably since OA and any conditions and requirements listed within the Invitation to Full Application letter have not been met.</p> <p>During appraisal, significant concerns have been raised regarding the project and these cannot be overcome with contract conditions.</p> <p>The application does not include the required licences / consents from the Environment Agency, or letter from the EA to confirm licences/consents are not required. OR the supporting documentation from the EA does not relate to the proposed project or causes concerns that cannot be resolved as part of the appraisal/contracting process.</p> <p>The application does not include the required planning consents and other permissions necessary at the current time to allow the project to proceed, or a letter from the Local Authority to confirm the consents are not required. OR the consents provided do not relate to the proposed project or they cause concerns that cannot be resolved as part of the appraisal / contracting process.</p> <p>Water management plan has not been referenced, a copy has not been provided, and it has not been included within the application text.</p> <p>Copies of the required plans for the development have not been provided and could not satisfactorily be obtained during appraisal timescales (see Operations Manual for agreed timescales).</p> <p>Current water use and efficiency projection figures have not been provided. Or they are provided but cause concerns that cannot be resolved as part of the appraisal / contracting process.</p> <p>The application does not demonstrate that water resource management and business improvements, savings and growth will be achieved as a result of the investment.</p>	Reject
<p>The project is broadly consistent with that endorsed at Outline Application stage, although some small elements have altered without consulting Defra. These changes do not detrimentally affect the project and can be dealt with as part of the Appraisal and/or Grant Offer Letter Conditions.</p> <p>The project shows limited development, research and planning. Exploration of new technologies is minimal or not demonstrated and they are not included in the project. The application does not demonstrate that the project is part of a long term approach to water resource management.</p> <p>A farm water management plan has been drawn up as required by the REG grant, but its implementation is very recent. The need for the project is not clearly identifiable within the water management plan. The project has not been developed as part of a whole farm approach, but is an independent investment for one area of the business.</p> <p>The application shows that some water resource efficiencies and business improvements, savings and growth will be made, but due to the limited nature of the proposal, this is not as</p>	2

<p>extensive as it could be for the whole business. The applicant has not fully documented how the benefits will be recorded, monitored and reported and this will need more consideration as part of the appraisal and included within offer letter conditions.</p> <p>The project will deliver no, or extremely limited benefits to other businesses and the project has not been developed in collaboration with other businesses.</p> <p>Appropriate consent, including official documentation/licences, has been provided from the Environment Agency, although the documentation includes a number of conditions to be met as part of the consent that may impact on the REG project and will need to be considered as possible offer letter conditions. If not required, a letter/email from the EA has been provided to confirm this, although is not explicit and has required further examination at appraisal.</p> <p>The necessary permissions and consents required to deliver the project, including planning permission have been obtained and included in the application. The documentation has required clarification to be sought on points within the consent document. OR the consents include a number of conditions to be met which may impact on the REG project and will need to be considered as possible offer letter conditions. Where consents are not required, a letter/email from the relevant organisation has been provided, although is not explicit and has required further examination at appraisal.</p> <p>Simple plans have been provided which are satisfactory and may have required clarification or further consideration at appraisal</p> <p>For water harvesting / recycling projects - a simple explanation of current water use and how captured water will be used in the future has been provided and this is supported by current water use figures and 5 year projections. Some savings will be made and benefit will be achieved by the business.</p> <p>Information sharing, best practice demonstration events and/or visits are not incorporated, or are mentioned but with no implementation plan. Additional work at offer letter stage will be required to ensure the benefits are captured and reported to Defra.</p>	
<p>The project has been well planned, showing the applicant to be a forward thinking business and that the investment is part of a whole farm approach to improve water resource efficiency on the holding. Exploration of new technologies has been made however they are either limited within this project or not being fully incorporated without satisfactory reasons having been provided. However, it is possible to see that they have been considered as part of the planning process.</p> <p>A water management plan is in place, identifies the need for the project and is being implemented as part of a whole farm approach.</p> <p>The application demonstrates that the project will enable the business to make water resource efficiencies and business improvements, savings and growth and these have been carefully calculated and evidenced. These are reflected in the proposed output targets, the application considers how they will be captured and reported and it will be possible for these to be incorporated into the grant offer letter.</p> <p>The project has considered collaboration and or benefit to other businesses and this has either been discounted, with clear and acceptable reasoning, or is being delivered within the project but in a small way, with the majority of the benefit still being to the applicant business.</p> <p>The EA is supportive of the project and all necessary official documentation/licences, has been provided from the Environment Agency. Any conditions have either already been addressed or have been explained how they will be addressed as part of the project delivery. The appraisal has concluded that there are no concerns for the REG element of the project. If not required, a letter/email from the EA has been provided to confirm this.</p> <p>All necessary permissions and consents required to deliver the project, including planning permission have been obtained and included in the application. The documentation is clearly relevant to the REG project and any conditions have either already been addressed or have been explained how they will be met as part of the project delivery. The appraisal concludes that there are no concerns for the REG project. If not required, a letter/email from the relevant organisation has been provided to confirm this.</p>	3

<p>The necessary plans have been provided and are relevant to the proposed project. The plans are comprehensive and fully demonstrate the development being undertaken, fully supporting the application.</p> <p>For water harvesting / water recycling - An explanation of current water use and how captured water will be used in the future has been provided, this is supported by current water use figures and 5 year projections. Supporting documentation demonstrates the claims are accurate and relevant. Considerable savings will be made and benefit will be achieved by the business.</p> <p>Information sharing, best practice demonstration events and/or visits have been considered and excluded with exceptional and acceptable reasoning. Or, more usually, demonstration and sharing best practice has been incorporated and will be delivered as part of the project. Grant conditions may be needed to support the applicant to agree to a clear plan for delivery and provide feedback to Defra.</p>	
<p>Significant planning of the whole project has been undertaken, demonstrating a forward thinking and progressive business, implementing and embracing new technologies. The project will be truly transformational.</p> <p>The proposal fully meets the REG theme priorities and the investment will enable the business to make significant and a wide variety of water resource management efficiencies and business improvements, savings and growth. The project is an exemplar of best practice water management and as a result of the project water will be used effectively, demonstrating a transformational change to the current practices. The applicant has provided relevant, clear and accurate supporting documents and calculations to demonstrate, and evidence where appropriate, the claims made and will enable the benefits to be measured and monitored.</p> <p>The proposed outputs are comprehensive, covering well but also building on the guidance provided and including additional, relevant and measurable targets for delivery which will demonstrate the wider impact and benefit of the project. It is clear how the targets have been calculated and the applicant has proposed realistic and achievable future monitoring systems.</p> <p>A comprehensive and long term farm water management plan is in place and is being implemented. The REG project can clearly be seen to be part of a suite of proposals to improve water resource management across the holding, as a whole farm approach.</p> <p>The project is of a true collaborative nature and the application provides evidence to demonstrate how the project will directly benefit other businesses. Projections of benefits to those businesses are clear, relevant and measurable.</p> <p>Full support, including official documentation/licences and consents, has been provided from the Environment Agency. If not required, a satisfactory letter/email from the EA has been provided to confirm this. All documentation is acceptable and does not raise any concerns.</p> <p>All necessary permissions and consents required to deliver the project, including planning permission have been obtained and included in the application. All documentation is acceptable and does not raise any concerns. If not required, a satisfactory letter/email from the relevant organisation has been provided to confirm this.</p> <p>The necessary plans have been provided and are relevant to the proposed project. The plans are comprehensive and fully demonstrate the development being undertaken, fully supporting the application.</p> <p>For water harvesting / recycling. A full and detailed explanation of current water use and how captured water will be used in the future has been provided and this is supported by the current water use figures and 5 year projections. Significant savings will be made and benefit will be achieved by the business.</p> <p>A comprehensive plan for information sharing, best practice demonstration events and visits has been drawn up and will be implemented. The proposed plan incorporates how best practice feedback can be shared with Defra. All of this can be easily slotted into a grant offer letter.</p>	4

Appendix D:	Strategic Fit Scoring Tables – Tourism RDT Theme Lead: Andy Tordoff, Yorkshire and Humber
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Key questions / considerations:

What contribution does the project deliver to growth within the business and to the wider tourism economy?

Does the project mainly support the development of rural tourism or does it simply deliver local services?

Does the project deliver formal tangible and measureable links to landscape, heritage, other tourism businesses, local food and drink and or/the strategic aims of local public bodies?

Does the project support businesses/ activities which will be accredited to an appropriate quality standard?

If an accommodation project does the project support serviced accommodation?

Does the project demonstrate formal collaboration between a number of tourism assets and have widespread support?

Scoring Criteria	Score:
<ul style="list-style-type: none"> The project does not contribute to the growth in the tourism economy. The project is isolated and only offers incremental improvement only and does not deliver transformational change for the applicant business. The project delivers mainly local services only and does not contribute sufficiently to the tourism economy. The project fails to demonstrate that it will achieve an appropriate and accredited Quality standard. (Set at 4 star and above except in very exceptional cases). The project is for non serviced accommodation only and does not make a case for being considered as an exception based upon formal links to other tourism assets. The project is contrary to the published priorities of relevant local tourism organizations. 	Reject
<ul style="list-style-type: none"> The application does deliver growth in the tourism economy but the direct impact of economic benefit and the visitor experience is restricted to one beneficiary only. The multiplier effects are quantified but are either speculative or based on economic modeling only and will be difficult to evidence. The application can demonstrate clear but informal links to other local assets be that landscape, heritage, other assets, food and drink or local bodies. Using economic modeling it can estimate but not evidence the economic benefit on local tourism. This estimate of the uplift in the tourism economy demonstrates that the project should be considered a making a contribution to the 5% year on year growth in the local tourism market. Quality is addressed, demonstrating it will achieve independent accreditation by a nationally recognized body at 4* or equivalent. If not achieving this it needs a clear rationale as to why an exception should be considered. There is evidence of market demand and a gap in the market and some support for the project can be evidenced from relevant local organizations. The project evidences some support from an appropriate local tourism organization. 	2
<ul style="list-style-type: none"> The project makes a contribution to enhancing the tourism economy across the wider local area. The application delivers major change and economic growth in at least one business and the project has clear formal links to a small number of other tourism assets and bodies and links to landscape, heritage, local culture etc. It can quantify, measure and record the impact of the project on these other businesses. It has the clear support of relevant tourism bodies and other tourism operators. It addresses a clear gap in market demand. The project is innovative in its approach. The project will meet or exceed 4* quality criteria and be fully independently accredited by a national body. The project has clear support from a local tourism organization and shows how this fits with the tourist organization development priorities. 	3

<ul style="list-style-type: none"> Investment in other REG themes is proposed and does not fall within the reject category for that theme. 	
<ul style="list-style-type: none"> The project delivers a significant transformation both to the business and to the tourism offer across a wide area. It will uplift the tourism product in a number of businesses and deliver clearly measured, quantifiable and reportable increase in tourism spend in direct outputs to the business and across the local area. The proposed activity fully meets the requirements of the theme, it is a major transformational project involving a number of partners and/or wide collaboration. The project has formal links to a large number of other tourism assets and can quantify, measure and record the impact of the project on these other businesses. The measureable, economic and social impacts which it can record and evidence will have a significant impact on the visitor experience and economic spend in the tourism economy locally across a large number of businesses. The design of the proposals exceeds the relevant best practice design criteria and will meet or exceed quality standards (Set at 4* and above). The project fits well with local landscape and heritage and has the demonstrable support of the local residents and other appropriate organizations. The project has clear definitive support from appropriate tourism organizations and is supported by Defra policy and / or Defra partners. Investment in other REG themes is proposed and does not fall within the reject category for that theme. 	4

Appendix E: Strategic Fit Scoring Tables – Forestry

RDT Theme Lead: David Hunter, North West

Key questions / considerations:

Is the project the same as that identified at outline stage in terms of overall project, costs and requested items? If not have any alterations been agreed by Defra as eligible?

What contribution does the project deliver to growth within the business and to the wider forest industry sector through woodland supply chain improvements, market growth or collaboration and/or demonstrably benefit other businesses?

Scoring Criteria for the Project	Score:
<ul style="list-style-type: none"> Does not provide evidence of significant economic growth in the business, sector or wider supply chain Does not demonstrate transformational change for the applicant business. Job Creation is there but this is below acceptable levels. Project has altered considerably in its objectives or outputs since Outline App. Significant concerns have been raised regarding the project and these cannot be overcome with contract conditions. Conditions and requirements listed within the Invitation to Full Application letter have not been met. Where <u>relevant</u> to the project: <ul style="list-style-type: none"> The applicant has not include the required planning consents and other permissions necessary to allow the project to proceed, or a letter from the Local Authority to confirm the consents are not required. OR the consents provided do not relate to the proposed project or they cause concerns that cannot be resolved as part of the appraisal / contracting process. The applicant has not included an acceptable woodland management plan that sufficiently addresses sustainable management of the resource including accessibility and viability of the planned extraction, does not identify the market for the primary product or provide evidence of demand and potential market value. <i>Before rejecting, consider whether the key concerns can realistically be overcome by special conditions or removed from any grant offer without undermining the overall project standard.</i> 	Reject
<ul style="list-style-type: none"> The applicant has not adequately explained how outputs will be monitored and reported and this will need more consideration as part of the appraisal and offer. The application does not demonstrate that the project is of a longer term transformational and/ or progressive nature. The activity proposed offers isolated improvement to the business rather than a transformation of the business. The project is broadly consistent with Outline Application however some small (non-detrimental) elements have altered without consulting Defra but can be dealt with as part of the Appraisal and/or Grant Offer Letter Conditions. The project shows limited development, research and planning. Project has not been developed in collaboration with other businesses or the benefits to wider sector are limited Where <u>relevant</u> to the project: <ul style="list-style-type: none"> The necessary permissions have required detailed clarification or include a number of conditions to be met which may impact on project deliverability. Where consents are not required proof from the relevant official organisation is not explicit and has required further examination at appraisal. Woodland Management Plans provided are satisfactory but require clarification or further consideration at appraisal There is evidence of market demand, significant economic growth and demonstrates benefits back to the producers of primary forest products. Project shows job creation but below expected standard for level of investment. 	2

<ul style="list-style-type: none"> • The project will facilitate a transformational change for the business. • Proposed technologies show the applicant as an early adopter in the industry. • The proposal is linked to wider timber industry developments and strategies. • The project has considered collaboration and or benefit to other businesses or wider supply chain and is being delivered within the project but in a small way, with the majority of the benefit still being to the applicant business. • Where <u>relevant</u> to the project: <ul style="list-style-type: none"> ○ All necessary permissions and consents required to deliver the project, including planning permission have been included to Defra's satisfaction. ○ Woodland Management Plans have been provided and fully demonstrate the development being undertaken fully supporting the application. • Project demonstrates evidence of significant economic growth and quantified benefits to producers of primary timber/woodland products. • Project should show creation of jobs, and full details are given with the quality and number of jobs made clear and is considered to be at a level similar to other projects of this type. 	<p>3</p>
<ul style="list-style-type: none"> • The project directly addresses the management of Phytophthora ramorum (demonstrated specifically within the application) • The project will facilitate a major transformational change for the business and possibly the timber or woodfuel industries. • The business is clearly forward thinking, aware of wider industry developments and strategies and is comfortable with early adoption of innovative developments. • The project also provides for investment in other REG themes. • The project is of a true collaborative nature and the application provides evidence to demonstrate how the project will directly benefit other businesses. • Projections of benefits to those businesses are clear, relevant and measurable. • The project is supported by Defra policy and / or Defra partners. • Significant planning of the whole project has been undertaken, demonstrating a forward thinking and progressive business, implementing and embracing new technologies. • The proposed outputs are comprehensive, covering well but also building on the guidance provided and including additional, relevant and measurable targets for delivery which will demonstrate the wider impact and benefit of the project. It is clear how the targets have been calculated and the applicant has proposed realistic and achievable future monitoring systems. • Where <u>relevant</u> to the project: <ul style="list-style-type: none"> ○ All necessary permissions and consents required to deliver the project, including planning permission have been obtained and included in the application. All documentation is acceptable and does not raise any concerns. If not required, a satisfactory letter/email from the relevant organisation has been provided to confirm this. ○ Woodland Management Plans have been provided and are relevant to the proposed project. The plans are comprehensive and fully demonstrate the development being undertaken, fully supporting the application. 	<p>4</p>

Appendix F:	Strategic Fit Scoring Tables – Agri Food RDT Theme Lead: Andy Rumming, South West
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Key Questions/Principles:

Is the proposal looking to be truly transformational? Simply extending capacity or just producing more of existing products is not transformational. Is the project looking to do things that are transformational beyond its own business? Could it be an example to others in the sector?

Is increase value likely to benefit producers down the supply chain? How tangible is the benefit?

Is the project the same as that approved at outline stage?

Complete Checks

Certain Agri Food applications will need to be forwarded to the relevant Defra policy teams for comment prior to completion of the appraisal. Should the appraiser have any projects that fall into the category below they should contact the Agri Food Theme Lead who will liaise directly with the relevant Defra policy contact(s):

- Projects from Applicants involved in abattoirs. The REG project itself may not be for the actual slaughter facilities but if it is from a Company involved or planning to be involved in slaughtering then the Defra policy team will need an opportunity to comment.

Scoring Criteria	Score:
<p>Project does not provide evidence of significant economic growth, and in particular does not demonstrate a lasting share of the benefits back to primary producers</p> <p>AND project does not demonstrate transformational change.</p> <p>AND does not demonstrate collaboration as defined by shared risk and reward.</p> <p>Project may show some creation of jobs, but this is below that expected of similar projects.</p>	Reject
<p>Project demonstrates evidence of significant economic growth, and in particular demonstrates a lasting share of the benefits back to primary producers</p> <p>AND project either demonstrates transformational change</p> <p>OR demonstrates collaboration as defined by shared risk and reward such as limited investment from other parties who are part of the supply chain e.g. purchase of limited number of shares in project by farmer suppliers.</p> <p>Project should show some creation of jobs, although the quality and number of jobs may only be at a level similar to projects of this type.</p>	2
<p>Project demonstrates evidence of significant economic growth, and in particular demonstrates a lasting share of the benefits back to primary producers which is quantified to some extent</p> <p>AND project demonstrates transformational change</p> <p>AND demonstrates collaboration as defined by shared risk and reward such as limited investment from other parties who are part of the supply chain e.g. purchase of limited number of shares in project by farmer suppliers.</p> <p>Project should show creation of jobs, and full details are given with the quality and number of jobs made clear and is considered to be at a level similar to other projects of this type.</p> <p>No queries or concerns raised by Defra policy and /or Defra partners.</p>	3
<p>Project demonstrates evidence of significant economic growth, and in particular demonstrates a lasting share of the benefits back to primary producers which is clearly quantified and mechanisms for the £'000s benefits to be delivered directly to farmers is discussed (price premia and contract of supply, sharing in profit as result of share purchase, etc.)</p>	4

<p>AND project demonstrates transformational change</p> <p>AND demonstrates greater level of collaboration as defined by shared risk and reward such as equal investment from other parties who are part of the supply chain e.g. purchase of equal proportion of shares in project by farmer suppliers and there is a clear commitment to collaborative working through the supply chain from production through to retail.</p> <p>Project should clearly evidence creation of jobs with the quality and number of jobs made clear and is considered to be at a higher level both in number and quality to other projects of this type.</p> <p>The project is supported by Defra policy and / or Defra partners.</p>	
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