



Department
for Environment
Food & Rural Affairs



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

2014 to 2020 European Structural and Investment Funds Growth Programme

**Call for Applications to support micro and small
businesses.**

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	South East (SELEP)
Call Reference	30RD15BS0001
Deadline for the submission of applications	Friday 19 June 2015 at 1700 hours

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

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1. Call Context

1.1. Background

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

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

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

1.2 Local Enterprise Partnerships

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

1.3 Other Rural Development Funding

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

1.4 Local Context

This call for applications fits within SELEP's broader strategy laid down in its ESIF Strategy.

SELEP's traditional and burgeoning new agricultural economy (as in viticulture) remains of vital importance, while new growth and business opportunities are diverse and growing. These range from forestry and energy through to heritage

and tourism and importantly the types of sectors more associated with urban areas, including manufacturing, engineering and business services.

Non-agricultural businesses located in the rural area make a significant contribution to the economy. For example more than a third (36%) of businesses in Kent are based in the rural area and over 50% of these are non-rural in nature. Small and micro businesses are a particular feature of the rural economy and the number of is growing. The creation of business clusters in rural areas helps support entrepreneurial culture which encourages job creation and economic growth across all sectors.

The SELEP Rural Group identifies a range of industries as components of both the rural and the SELEP-wide economy. These include rural tourism, which sustains 50,000 jobs, and renewable energy, alongside food and drink and a wide range of other industries, including home-based businesses. Improved digital connectivity is opening up new opportunities in the rural economy, with greater potential for micro and home-based businesses to take advantage of the rural quality of life, while continuing to trade globally.

With the full range of industrial sectors represented within rural areas, there is enormous potential to increase innovation, support businesses to develop and grow, to increase investment and skills across the LEP area. Support for extending research and innovation across the economy is essential to achieving the potential of industries. SELEP is keen to support all businesses to increase output and employment, and to drive the growth of key sectors, wherever the firms are located.

This funding forms part of SELEP's programme for growth. SELEP is keen to support businesses to innovate and grow and to improve the skills of the workforce.

SELEP's ESIF Strategy is available at <http://www.southeastlep.com/images/SE%20LEP%20SIF%20-%20January%20Submission.pdf>

2. Call Overview

2.1 Purpose of the Call

This call seeks project proposals that support micro and small businesses.

The Government wants to see a strong and growing rural economy, with thriving micro, small and medium-sized businesses. In this call for applications, SELEP has prioritised support for:

- Micro and small businesses in rural areas seeking to expand and create jobs;
- Micro and small businesses in the agri-food sector, located in rural areas, seeking to expand and create jobs.

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

2.2 Support Available

This call is open for applications from micro and small rural businesses that will bring innovative ideas to the market, create jobs and demonstrate growth.

Projects from the following sectors will be given priority:

- Agri-food;
- Manufacturing;
- Engineering; and
- Information and Communication Technology and multi-media.

Examples of types of activities that could be supported include:

- Food and drink processing and marketing resulting in non-Annex I products as output;
- Investment in equipment, technologies or processes to develop new or higher quality products.
- Farm diversification activities that will create business growth and new markets;
- Construction, re-construction or establishment of workshops, factories, plants and other premises and facilities.

This call seeks to support projects that can demonstrate a significant impact from investment. **Projects therefore need to deliver at least one job per £25,000 of grant.** SELEP seek to promote projects that:

- integrate with and strengthen existing local supply chains, particularly in high value and high technology sectors;
- bring innovative products to the market, particularly when associated with existing research institutions including in the private sector;
- demonstrate strong low carbon and energy efficient credentials;
- export potential or ability to increase exports.

2.3 Size of grants available

Grants will be available for this call from £50,000 up to approximately £155,000 depending on the amount of de minimis state aid already received within a 3-year period. Further details on state aid rules are available from gov.uk.

Applicants can apply for a grant to cover up to 40% of the project's total eligible costs. The minimum total eligible cost of a project for this call would therefore be £125,000.

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

2.4 Total Funding Available

The total grant funding available for the call is £1 million. Funding will be offered to a maximum of 15 projects. This is an open process, but it will be highly competitive. Applications will be assessed after the close of the deadline.

3. Outputs to be delivered

Project proposals will be expected to show how they will contribute to the achievement of the following outputs in their application:

- Number of jobs created
- Increase in wage bill as a result of the grant support
- Number of new products introduced as a result of the grant support
- Number of new techniques introduced as a result of the grant support

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

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

4. How to apply

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

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

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

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

5. Information to consider before making an application

5.1 Eligibility

There will be standard eligibility requirements for each type of grant offered. Applicants will need to refer to gov.uk for further information.

5.2 Register with Rural Payments

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

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

5.3 Cross Cutting Themes

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

5.4 Quotes

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

5.5 Publicising the Grant

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

They may expect the applicant to:

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

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

6. Support

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

7. Submitting applications

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