



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 investments in
rural micro and small businesses in the tourism
sector**

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Worcestershire LEP (WLEP)
Call Reference	38RD15TO0002
Deadline for the submission of applications	Friday 30 October 2015 at 1700 hours

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

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1. Call Context

1.1. Background

A single European Structural and Investment Funds (ESIF) Growth Programme has been set up to combine three separate European Funds. These are the European Regional Development Fund (ERDF), the European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD).

ESIFs are managed by the Department of Communities and Local Government (ERDF), Department for Work and Pensions (ESF) and the Department for Environment, Food and Rural Affairs (EAFRD). These are known as the Managing Authorities (MAs).

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:

- funding and developing micro, small and medium-sized rural businesses including food processing;
- funding for small scale tourism infrastructure and tourism co-operation.

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 the project must be located in a rural area in England.

1.3 Other Rural Development Funding

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

1.4 Local Context

This call invites applications for investments that help grow and develop new and existing micro and small rural businesses and help farms diversify into tourism activities.

The tourism sector in Worcestershire is a key contributor to the local economy, employing over 25,000 people. There are around 800 businesses in the sector, representing 5.7% of all businesses in Worcestershire.

Each year visitors spend £538 million in rural Worcestershire, the majority generated from day visitors. Around £100 million of this is generated from visitors staying overnight. More than half of visitor spend is generated from events, fairs and exhibitions, and around 25% is from food and drink.

There are over 700,000 domestic tourism trips to Worcestershire annually, generating 2 million overnight stays. Worcestershire also attracts some 100,000 international visitors annually.

The Destination Worcestershire Management Plan has identified a number of priority areas for growth. These include:

- improvement or development of serviced accommodation rated at 3 star or above
- increase in health tourism such as hotels looking to develop or diversify into spas and beauty treatments
- Infrastructure to support the development or expansion of festivals and events.
- development of infrastructure related to activities associated with visits to the countryside or waterways;
- development of cultural and heritage activities within the natural or built environment, in particular around the Worcester and Malvern areas, countryside and waterways.

Applicants will need to demonstrate how their project contributes to one or more of these priorities.

Worcestershire LEP's ESIF Strategy is available at:

<http://www.wlep.co.uk/assets/WLEP-ESI-Funds-Strategy-update-February-2015-v1-docx.pdf>

Other relevant documents include:

- The value of tourism in Worcestershire - <http://www.wlep.co.uk/assets/The-Value-of-Tourism-in-Worcestershire-Final-Report-March-2013.pdf>
- Destination Worcestershire Management Plan is available at <http://mediafiles.thedms.co.uk/Publication/HF-VW/cms/pdf/Destination%20Management%20Plan%202012-2015.pdf>

2. Call Overview

2.1 Purpose of the Call

Theme – Supporting Tourism in rural area

This call seeks applications that support investments in the tourism sector in rural areas.

The rural tourism sector offers a significant opportunity for growth in developing the all year round destination offer and improving the quality of tourism products. This can benefit the wider economy of rural areas through high spend on rural attractions and accommodation as well as an increase in tourism based enterprises and job opportunities.

WLEP aims to support the creation of distinctive and high quality destinations based on what each individual destination can offer. This call provides support for:

- Micro and small-sized rural businesses seeking to expand and create jobs;
- Rural businesses and communities seeking to invest in recreational and small scale rural tourism infrastructure;
- Farmers or members of the farm household seeking to diversify into non-agricultural activities.

2.2 Support Available

Applications are sought from:

- new or existing micro or small businesses or social enterprises in rural areas looking to develop and grow;
- farmers or members of the farm household in rural areas, seeking to diversify into non-agricultural activities;
- landowners or rural communities, seeking to invest in recreational and small scale tourism infrastructure.

The aim of this call is to create new jobs in the tourism sector and increase visitor spend by developing the tourism offer in Worcestershire. Priority will be given to projects that develop the tourism offer in the WLEP area and deliver value for money. Applications that provide the greatest contribution to achieve the outputs below relative to the amount of grant requested will be a priority for this call.

Grants will be available to develop new products or services in the following areas:

- sustainable visitor attractions that promote local culture and heritage, particularly those located in Broadway, Malvern Hills and the Wyre Forest;
- sustainable rural tourism and leisure activities;
- quality serviced accommodation of 3* and above where there is clear evidence of need.

Projects will need to:

- demonstrate how the project will improve the range and quality of tourism products in the local destination – and how the project aligns and adds value to existing provision in the area and maximises key tourism assets;
- demonstrate there is a demand for the project;
- benefit the destination as a whole and add value to the overall ‘Worcestershire offer’;
- add value to an existing business or demonstrate that a new business opportunity exists that capitalises on market trends and appeals to new markets; and
- demonstrate that they can extend the tourism season or attract business tourism.

The following applications will not attract support:

- Where there is no clear demand or potential for growth, such as new accommodation, without clear evidence to support the development within a well-evidenced destination, place-based or business plan;
- Where there is a focus on individual business growth that demonstrates little in the way of wider growth. This includes job creation or increased visitor spend, co-operation with other businesses, contribution to the strategic priorities for tourism in WLEP area or benefits to the local community.
- Displacement can be an issue for tourism projects. Applicants must demonstrate the contribution a project can make to the destination as a whole.

2.3 Size of grants available

Grants will be available for this call from £35,000 up to £100,000. State aid rules will apply which may affect the amount of grant offered. Further details on state aid rules are available from gov.uk.

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

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

2.4 Total Funding Available

The total grant funding available for this call is £300,000. Funding will be offered to a maximum of 8 projects, but the actual number of projects supported may be lower, dependent upon the scale and range of the projects coming forward. All applications are competitive and for this specific call 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:

- Additional number of day visitors
- Additional number of overnight visitors
- Number of jobs created
- Increase in Gross Value Added (GVA)
- Increase in wage bill

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 that will capture and record the outputs. A detailed description of the systems will need to be provided 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 a grant funding agreement from the RPA. This includes ordering or paying a deposit on materials or equipment.

5. Information to consider before making an application

5.1.1 Eligibility

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

5.2 Register with Rural Payments

Before applicants can submit an application for a grant from the Growth Programme, they will need to register on [Rural Payments](#). If the applicant is already registered on Rural Payments, they will not need to do this again.

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. Important information on the number and format of the quotes required to demonstrate best value are available from gov.uk. Applicants will be required to submit these if invited to develop a full application.

5.5 Publicising the Grant

When a project is successful in obtaining rural development funding through Growth Programme, the grant beneficiary will be required to publicise the

grant. The RPA will provide beneficiaries with further information with the grant funding agreement but they may expect beneficiaries 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.