



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 micro
and small businesses in rural areas seeking to grow
and create new jobs**

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Greater Birmingham and Solihull LEP
Call Reference	12RD15BS0001
Deadline for the submission of applications	Friday 8 January 2016 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:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- part of the European Agricultural Fund for Rural Development (EAFRD)

The Growth Programme provides funding to help projects in England that create jobs and economic growth. Department for Environment, Food and Rural Affairs (Defra) has responsibility for managing EAFRD. Rural Payments Agency (RPA) manages these grants on behalf of Defra.

Government has allocated £177 million of rural development funding from EAFRD for grants in the Growth Programme. These grants are available for:

- 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 support new and existing micro and small rural businesses in the Greater Birmingham and Solihull LEP area to grow and create new jobs.

The Greater Birmingham and Solihull LEP (GBSLEP) area includes three rural locations in Solihull, South Staffordshire and North Worcestershire. Micro and small businesses in these rural areas are eligible to apply under this call.

[GBSLEP's ESIF strategy](#) aims to help new businesses to set up and existing businesses to grow. GBSLEP has highlighted the importance of developing a diverse base of businesses. Support for micro and small rural businesses to grow as well as farm businesses to diversify into non-agricultural activities will help achieve this aim.

Rural parts of the GBSLEP area host a wide range of businesses. These include advanced manufacturing and food and drink processing. The ESIF strategy shows that these are priority sectors to grow the economy of the LEP area.

The GBSLEP ESIF strategy shows the priority sectors as:

- Engineering
- Advanced manufacturing including engineering and automotive
- Food and drink processing
- Businesses supporting the development of High Speed 2 (HS2) and related supply chain

The West Midlands area has the highest concentration of automotive and advanced engineering businesses in the country. The sector employs around 115,000 people in 1,500 businesses across the region, generating a turnover of around £13 billion. The region accounts for 60% of the UK's automotive research and development and 30% of automotive turnover.

Greater Birmingham is at the centre of a complex supply chain for the engineering and manufacturing sector. The local supply chain is also an important part of the national supply chain for these sectors.

The area is home to major automotive manufacturers including JLR, BMW, Aston Martin and MG Rover, and aerospace manufacturers such as GKN and Goodrich. There is a large number of companies in the area supplying and servicing these manufacturers. These supply chain companies are also important suppliers to automotive, engineering and aerospace companies in other parts of the UK and overseas.

Food and drink is the largest sub-sector of manufacturing in the UK economy. The sector is growing at a faster rate than most other manufacturing sectors. The growth of businesses in the food and drink sector is important in growing the GBSLEP economy.

The HS2 project will provide opportunities for businesses in the GBSLEP area. The national construction headquarters will be in Birmingham creating up to 1,500 jobs. Birmingham will co-host the National College for High Speed Rail and there are a large number of supply chain businesses in the Midlands. Most of the work and investment will take place in urban areas, but rural businesses can benefit from these opportunities by supplying goods and services.

GBSLEP want to support rural businesses and individuals that will contribute to the overall aim of improving economic performance. This call seeks to support existing and new rural businesses that want to grow, create new jobs and improve productivity.

2. Call Overview

2.1 Purpose of the Call

Theme – Developing micro and small businesses

This call seeks applications that support micro and small businesses.

The Government wants to see a thriving rural economy. This call provides support for:

- micro and small-sized businesses seeking to expand and create jobs

By providing EAFRD investment support for new and expanding businesses, GBSLEP 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 seeks applications from existing and new micro and small businesses in rural areas. Grants are available for investments in new equipment, processes or technologies.

The aim of this call is to help rural micro and small businesses in GBSLEP develop and grow. Applicants must show how their project will create new sustainable jobs and increase the productivity of their business.

Applications that meet the following criteria will be a priority for support:

- investments in advanced manufacturing, in particular engineering and automotive
- investments in food and drink processing

- investments directly supporting the development of HS2 or related supply chain
- create at least 1 full time equivalent job for every £20,000 of grant requested
- investments introducing a new product, technology or process

Applications that meet two or more of the criteria above will be a higher priority for support.

Examples of support include:

- investing in equipment, technologies or processes to create new or higher quality products
- processing of local food and drink products with direct benefits back to farmers and growers
- expansion of production space and facilities
- farm diversification into non-agricultural activities

2.3 Size of grants available

Grants will be available for this call from £35,000 up to €200,000 (approximately £140,000). 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

Applicants must pay for any costs not covered by the grant with private funding, such as savings or a bank loan, not other public funds. If private funding isn't used, Rural Payments Agency (RPA) may ask the applicant to repay any grant money already paid and may cancel any future payments.

2.4 Total Funding Available

The total grant funding available for this call is **£200,000**. Funding will be offered to a maximum of 5 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 call, RPA will assess applications after the close of the deadline.

3. Outputs to be delivered

Applicants need to show how their project will contribute to the achievement of the following total outputs for the call:

- 10 new jobs created
- Increase in wage bill of applicant business

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 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.