



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 rural businesses in Dorset**

**European Agricultural Fund for Rural Development**

<b>Managing Authority</b>	<b>Department for Environment, Food and Rural Affairs</b>
<b>Local Enterprise Partnership Area</b>	<b>Dorset Local Enterprise Partnership</b>
<b>Call Reference</b>	<b>09RD15BS0001</b>
<b>Deadline for the submission of applications</b>	<b>Friday 8 January 2016 at 1700 hours</b>

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 grant applications from micro and small businesses in rural areas of Dorset. Grants are available for new and existing rural businesses seeking capital investment to help them grow and create jobs. The call is also open to farm businesses seeking to diversify into non-agricultural activities.**

The Local Economic Assessment for Dorset LEP shows that businesses in the rural areas of Dorset have good levels of employment, but have relatively weak supply chains and low levels of productivity, when compared to urban areas. The assessment shows there is a need to help businesses to be more productive and add value to supply chains.

The [Dorset ESIF Strategy](#) highlights the following barriers to the growth of rural micro and small businesses in the area:

- lack of available finance
- the cost of borrowing
- risks relating to the introduction of new techniques and processes

The introduction of new processes and techniques can lead to improved productivity but they can be expensive. Rural micro and small businesses in Dorset are less likely to invest in new processes and techniques due to the costs involved. The ESIF strategy identifies a need to support businesses to introduce new processes and techniques to increase their productivity.

This call seeks applications from rural micro and small business seeking capital investment to introduce innovative new processes and techniques that will help them grow and create new jobs.

## 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 strong and growing rural economy, with thriving micro and small-sized businesses. 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, Dorset LEP 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 new and existing micro and small businesses in rural areas of the Dorset LEP area. Grants are available for capital investments that will help businesses grow, expand and create new jobs.

The aim of this call is to support rural micro and small businesses adopt new techniques or processes that will help their businesses to grow. This call encourages applications that will help businesses introduce new products or open new market opportunities.

Examples of support include:

- manufacturing and production businesses seeking to expand by increasing the number or range of their products
- advanced engineering businesses seeking to adopt a new manufacturing techniques
- farms diversifying into non-agricultural activities that generate new sources of income
- knowledge based, business service or digital and creative businesses seeking to implement new techniques and processes
- tourism business seeking to expand into new markets
- food and drink manufacturing businesses seeking to introduce new products

Applications that can demonstrate one or more of the following criteria are a priority for this call:

- business growth through the introduction of new technologies and processes
- creates jobs paying an annual salary of more than £25,000
- considers the impact on the environment
- increases exports and attracts inward investment
- improves the value chain by focusing on products, services and processes that increase market share or target new markets
- bring economic benefit to the wider rural area in particularly for those based in the small rural towns of Dorset

This call will not support 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

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 **£500,000**. Funding will be offered to a maximum of 14 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, the 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:

- 25 new full time equivalent jobs created
- increase the average gross annual salary to more than £25,000 for each job created.
- increase in the annual Gross Value Added per full time employee

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](http://www.gov.uk/government/collections/growth-programme-grants-for-the-rural-economy). Applicants can call the Rural Payments helpline on 0300 0200 301 or Email [GPEnquiries@rpa.gsi.gov.uk](mailto:GPEnquiries@rpa.gsi.gov.uk) for further support if required.

## 7. Submitting applications

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