2014 to 2020 European Structural and Investment Funds Growth Programme

Call for applications to support investments to develop new and existing micro and small businesses in rural areas

European Agricultural Fund for Rural Development

Managing Authority	Department for Environment, Food and Rural Affairs
Local Enterprise Partnership Area	Enterprise M3
Call Reference	10RD15BS0002
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 or existing micro and small businesses in the rural areas of Enterprise M3.

Small and micro businesses based in rural areas make up 15% of the economy in the Enterprise M3 LEP area. There is a wide range of business types in the

rural area. These include traditional sectors such as agriculture and new technology companies.

The Enterprise M3 ESIF strategy shows the LEP want to:

- improve the competitiveness of existing businesses
- help new businesses to start up

The Enterprise M3 Rural Briefing paper shows that the LEP wants to support farmers and growers to diversify into non-agricultural activities to help improve their competitiveness.

The ESIF strategy identifies the development and adoption of new technology as important in growing the local economy and creating jobs. Enterprise M3 hosts a wide range of businesses that are leaders in the development and adoption of new technologies. There is a need to support micro and small rural businesses, including farmers seeking to diversify into non-agricultural activities, to help them to develop and adopt new technologies that will improve their competitiveness.

Applications from businesses in the following technology sectors are a priority for this call.

- information and communications technology and digital media
- pharmaceuticals
- aerospace and defence
- professional and business services
- satellite technologies
- 5G mobile communications technologies
- cyber security
- advanced materials and nano-technology
- photonics
- advanced aerospace and automotive manufacturing
- animal health
- computer games and entertainment technologies

This call seeks to support rural businesses that want to grow, improve productivity and create new jobs. The call encourages applications that will:

- develop new products or improve the quality of existing products
- create new jobs at level 4 and above

Version 1.0

2. Call Overview

2.1 Purpose of the Call

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 businesses seeking to expand and create jobs

By providing EAFRD investment support for new and expanding businesses, Enterprise M3 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 micro and small businesses in rural areas. Grants are available for investments that will bring new products, processes and technologies to market.

The aim of this call is to help new and existing rural micro and small businesses in the Enterprise M3 LEP area to grow and create new jobs. The call will support these businesses through investing in new and better equipment, technologies or premises.

Examples of support include:

- investment in equipment, technologies or processes to develop new or higher quality products
- construction and development of workshops, factories and purchase of machinery and fixed equipment
- farm diversification into non-agricultural activities that will create business growth and new markets

Applications that meet the criteria below are a priority for support:

- create 1 job per £25,000 of grant invested
- projects from the priority sectors identified by EM3 LEP
- create new products or processes
- create of jobs at level 4 or above
- contribute to increasing exports

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

There is a call for applications to support tourism in rural areas open at the same time as this call. Therefore, applications from tourism businesses will not be supported under this call.

2.3 Size of grants available

Grants will be available for this call from £50,000 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 £125,000.

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 **£620,000.** Funding will be offered to a maximum of 12 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:

- create 24 new full time equivalent jobs
- increase in the wage bill of the applicant business
- increase in Gross Value Added

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.