Rural Development Programme for England (RDPE)

The Growth Programme

Kirsten Young (RPA) & Dinah Jackson (North East LEP)

2nd November 2017
Rural Development Programme for England

CAP 2014-2020

Pillar 1
- sCMO
- Direct payments
- Greening

Pillar 2 - RDP
- Countryside Stewardship
  - £3.1 billion
- Growth
  - £177m
- Countryside Productivity
  - £141m
- LEADER
  - £138m

Structural Funds
- ERDF
- ESF
- EAFRD

Growth Programme

M_x{Rural Payments Agency}
Grant Offers Currently Open

• Growth Programme
  – £120 million of calls launched in January 2017
  – Closes for expressions of interest 31 January 2018
  – 3 themes:
    – Business Development
    – Food Processing
    – Tourism Infrastructure

• Countryside Productivity
  – £20 million large grant offers launched in July 2017
  – 4 themes
    - forestry, water resource management, farm productivity, adding value to food

• LEADER
  – Local programmes open in 79 areas since 2015
GROWTH PROGRAMME

- RPA launched national Growth calls in January 2017 for:
  - Business Development
  - Food Processing
  - Rural Tourism Infrastructure

- Each call has a Handbook on Gov.uk and a Helpline on 03000 200 301.
  - Eligibility criteria
  - National priorities
  - Local LEP priorities

COMPETITIVE 2 STAGE APPLICATION PROCESS
BUSINESS DEVELOPMENT GRANTS

• For micro, small businesses and farmers diversifying into non-agricultural activity, to grow and create more jobs.

• Grant funding can help pay for:
  ➢ Constructing or improving buildings
  ➢ Buying new equipment and machinery

How much money can be applied for?
• Up to 40% of the eligible costs of a project.
• Minimum grant is £35,000.
• State aid rules limit funding to €200,000, around £170,000.
Who can apply?

The size of the applicant business depends on:

- Number of full time equivalent (FTE) employees and
  - Minimum of 30 hrs/week is 1 FTE
- Financial performance

<table>
<thead>
<tr>
<th>Business Size</th>
<th>No. of FTEs</th>
<th>Annual Turnover/Balance Sheet Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Fewer than 10 and</td>
<td>€2m (about £1.6m) or less</td>
</tr>
<tr>
<td>Small</td>
<td>Fewer than 50 and</td>
<td>€10m (about £7.9m) or less</td>
</tr>
</tbody>
</table>

- Rural micro, small and social enterprises.
- Farmers diversifying into non-agricultural activity.
# National priorities - Business Development

Projects must achieve at least one national priority.

<table>
<thead>
<tr>
<th><strong>Create jobs</strong></th>
<th>Creates new, higher-skilled or higher-paid jobs. Creates at least 1 FTE job for every £30,000 of grant funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grow your business</strong></td>
<td>Increases the turnover and profitability of a business</td>
</tr>
<tr>
<td><strong>Improve productivity through innovation</strong></td>
<td>Introduces new techniques, equipment or processes to a business to make it more productive</td>
</tr>
<tr>
<td><strong>Open new product markets</strong></td>
<td>Helps your business sell goods or services to new customers or markets.</td>
</tr>
<tr>
<td><strong>Export</strong></td>
<td>Helps your business access export markets</td>
</tr>
</tbody>
</table>
Business Development:  
North East Region Business Development  
Call reference number 25RD17BS0001  
Minimum grant £35,000  
Maximum grant €200,000, approx. £170,000

• Create new or expand existing micro and small businesses in rural areas leading to growth of the applicant business in the following priority sectors:
  o Manufacturing and engineering;  
  o Pharmaceuticals  
  o Food and drink  
  o Knowledge Intensive Business Services  
  o Creative  
• Create skilled jobs in the applicant business.  
• Increase productivity in the applicant business.  
• Allow farming businesses to diversify into non-agricultural activities.
RURAL TOURISM INFRASTRUCTURE GRANTS

To support projects that will encourage more tourists to come, to stay longer and to spend more money in rural areas.

- Grant funding can help pay for capital expenditure on tourism infrastructure.

How much money can be applied for?

- Minimum grant is £35,000.
- Maximum grant for commercial projects:
  - Up to 40% and £170,000 de minimis
- Maximum grant for other projects:
  - Up to 100% and £250,000, the call maximum
# National priorities - Tourism

Projects must meet at least one of the national priorities.

<table>
<thead>
<tr>
<th><strong>Create jobs</strong></th>
<th>Create at least 1 FTE job for every £30,000 of grant funding. Creates skilled jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extend the tourism season</strong></td>
<td>Attracts tourists outside the usual period of May to October</td>
</tr>
<tr>
<td><strong>Develop tourist attractions and infrastructure</strong></td>
<td>Creates or develops tourist attractions and infrastructure to increase the range of attractions available locally, encourage tourists to stay longer and increase their spend.</td>
</tr>
<tr>
<td><strong>Wider benefits</strong></td>
<td>Provides benefits to the wider tourism economy in the rural area.</td>
</tr>
</tbody>
</table>
These grants are for capital investments to develop and grow tourism in rural areas.

**Tourism Infrastructure**

Priority will be given to projects that:

- develop new or improve existing tourist attractions that encourage more visitors to stay for longer and spend more
- develop outdoor and adventure-based recreational activities for visitors in open country and/or forests particularly cycling, mountain biking, walking, climbing, water sports and marine nature tourism
- develop new or improve existing tourism attractions, experiences, trails and infrastructure that improve access to and understanding of:
  - the coastline
  - protected landscapes - especially if making links to neighbouring protected landscapes and including the Land of Oak and Iron Initiative
  - Dark Skies - developments must comply with the British Astronomical Society’s Lighting Guidelines
  - North Eastern heritage including the industrial, Roman and religious history
  - local distinctiveness - including music, crafts, local culture and local food and drink

Contd….
North East Region Tourism Infrastructure  
Call reference number 25RD17TO0003  
Minimum grant £35,000  
Maximum Grant for commercial projects €200,000 approx £170,000. Other projects no maximum subject to State Aid rules.

**Tourism Business and Accommodation Development**

Priority will be given to projects that:

- are rural businesses located within Northumberland National Park, AONBs and other protected landscapes
- invest in accommodation to:
  - encourage more visitors to stay for dark skies-related visits, particularly overnight visitors and those from other areas
  - address gaps in accommodation along recognised cycling and walking routes
  - improve the quality as defined by Visit England 4 star accreditation or other nationally recognised ratings. This includes boutique hotels and inns, glamping and camping accommodation, bunk houses, lodges and touring caravan sites.
Tourism Infrastructure (Contd..)

Priority will be given to projects that:

• attract more visitors during the months of October to March
• increase the variety and number of indoor activities, especially spa or recreational and exercise facilities aimed at tourists
• improve the visitor experience for those with access needs and/or which add to the quality of reception facilities especially at appropriate locations on the coast, exceeding statutory requirements

These tourism grants will not support projects that:

• refurbish, repair or maintain existing accommodation where the current standard of facilities and / or accreditation rating is retained
FOOD PROCESSING GRANTS

To support food and drink businesses, that process agricultural and horticultural products, to grow and create new jobs.

Grant funding can help pay for:
- Constructing or improving buildings
- Buying new equipment and machinery

How much money can be applied for?
- Up to 40% of the eligible costs of a project.
- Minimum grant is £35,000.
- Maximum grant set by the Call.
### National priorities - Food Processing

Projects must meet at least one of the national priorities.

| **Create jobs** | Create at least 1 FTE job for every £30,000 of grant funding. |
| **Grow your business** | Increases the turnover and profitability of a business |
| **Benefit the supply chain** | Provides direct benefits to the farmers and growers who supply the raw materials, particularly local farmers and growers. |
| **Access new markets** | Helps you sell more products locally, nationally and through exports. |
| **Improve productivity through innovation** | Introduces new techniques, equipment or processes to a business to make it more productive |
| **Create joint ventures and partnerships** | Creates new and useful links between businesses – for example between growers and processors. |
Priority will be given to projects that:

• process locally sourced produce
• process high value bioactive and functional foods.
• process speciality foods especially those produced from local sources within our areas of protected landscapes and which contribute to the unique heritage offer of North East local food and drink.
• invest in equipment, technologies or processes to develop new or higher quality products
• enable the applicant business to start exporting products, or increase the volume and/or value of products exported by the applicant business.
• improve the resilience and/or sustainability of the applicant business, for example, through new or more effective processing technologies including equipment or processes to reduce waste or obtain added value from waste (waste valorisation) as part of a larger project
• improve the digitalisation of the applicant business, for example through ICT adoption or wider use of ICT in the processing and business or logistics operations as part of a larger project
Growth Programme Application Process

• 2 Stage process
   EOI – 30 working day turnaround
     Eligibility and fit with local priorities
   Full Application – 60 working day turnaround
     Strategic Fit and Value for Money
     Need and Demand and Financial Viability
     Deliverability and Sustainability

• It can take 7 months from EOI to GFA.
Countryside Productivity

- £141m to improve the productivity of the farming & forestry sectors
- Four themes
  - Improving Forestry Productivity
  - Water Resource Management
  - Adding Value to Agri-Food
  - Improving Farm Productivity
- Each call has a Handbook on Gov.uk and a Helpline on 03000 200 301.
- Grants are for a minimum of £35,000.
- Grants can cover up to 40% of the eligible project costs.
- Minimum total eligible cost of a project is £87,500.
- Maximum grant per project is normally £1m.
- Closing date for applications – 3 April 2018 (midnight).
LEADER

• 79 Local Action Groups
• £138m – min grant £2.5k
• 6 priorities:
  – Increasing farm productivity
  – Supporting rural tourism
  – Supporting cultural and heritage activity
  – Supporting SMEs and farm diversification
  – Providing rural services
  – Increasing forestry productivity

Are you in a LEADER area? [www.magic.gov.uk]
What is the Rural Growth Network (RGN)

- The Rural Growth Network delivers two grant schemes – Infrastructure and Business Growth.
- The delivery team are based in Arch - wholly owned by Northumberland Council.
- The Accountable Body is Northumberland County Council.
- Seeks to fill gaps – not duplicate other rural capital grant programmes.
- The current call opened in April 2017, with approximately £1.2m to fund projects across Northumberland, Durham and Gateshead.
- RGN grant support must create jobs, we are looking for 1 job to be created for every £15,000 of grant awarded.
RBGF – (Rural Business Growth Fund) Open until 31st January 2018 or until funds committed

• The Rural Business Growth Fund is aimed at supporting medium businesses in the following activities:
  • Improvements to business premises
  • Expansion of business premises
  • Purchase of capital plant and equipment

– The fund supports projects in the following target sectors:
  • Food and drink production
  • Knowledge intensive business services
  • Manufacturing
  • Energy / environmental products
  • Niche, high quality tourism projects

– The minimum level of grant is £10,000, the maximum is £60,000 with a maximum 40% intervention rate
SEIF – Strategic Economic Investment Fund – Open until 31st January 2018 or until funds committed

- The fund is aimed at the creation of enterprise hubs, multiple business units, large strategic tourism projects.
- Can also fund infrastructure works to unlock economic sites where an end user is in place.
- The minimum level of grant is £40,000, the maximum is £500,000 (any application outside of these boundaries must have clear evidence of benefits) with a maximum 40% eligible costs covered.
- Note this is not restricted to SMEs.

How Do I apply?

- If you wish to discuss a potential RBGF or SEIF project please contact Katy.McIntosh@Arch-group.co.uk / 01670 528489 / 07807 886 543
- Guidance is available online https://www.archnorthumberland.co.uk/arch-business/rural-growth-network/funds-available-1
- It is a two stage competitive process, work must not commence on your project until your grant request is approved.