



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, small and medium-sized food and drink  
businesses**

**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>Cheshire and Warrington LEP</b>
<b>Call Reference</b>	<b>03RD15BS0002</b>
<b>Deadline for the submission of applications</b>	<b>Friday 27 November 2015 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 applications for investments that help grow micro, small and medium-sized businesses in the food and drink sector in Cheshire and Warrington.**

Agriculture is an important sector in the rural economy of Cheshire and Warrington. Over 163,000 hectares of land are in use for the production of food.

The LEP area hosts one of the largest dairy fields in the UK, producing 700 million litres of milk annually with an estimated value of over £200 million. Cereals, horticulture, poultry and livestock also play a role in the LEP's rural economy.

Cheshire and Warrington has a large number of businesses in a range of different sectors. It has more businesses per head than the national average, a high business start-up rate and a low level of business closures.

Cheshire and Warrington LEP aims to double the output of its local economy by 2030, creating 75,000 new jobs. The LEP seeks to build on the strengths in the food and drink sector by supporting micro, small and medium-sized businesses. This call seeks applications to invest in innovative technology, equipment and processes that will increase productivity and create new jobs.

[Cheshire and Warrington LEP's ESIF strategy](#) identifies food and drink as an important sector with the potential for growth and the creation of new jobs. It recognises the need to encourage investments that add value to primary dairy production. The National Farmers Union identifies the need for dairy farmers and the processing industry to invest in innovative technology and branding. In Cheshire and Warrington there is the potential to grow and improve productivity in the processing of dairy produce such as cheese and yoghurts.

## 2. Call Overview

### 2.1 Purpose of the Call

#### *Theme – Food Processing*

**This call seeks applications that support micro, small and medium businesses.**

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

- micro, small and medium-sized businesses seeking to expand and create jobs in the food processing sector

By providing EAFRD investment support for new and expanding businesses, Cheshire and Warrington LEP wants to see an increase in 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, small and medium sized food processing businesses in both urban and rural areas of Cheshire and Warrington. Grants are available for investments in the processing and marketing of agricultural products.

The aim of this call is to help businesses in the food and drink sector to develop and grow through investment in infrastructure, equipment and machinery. The call invites applications from on-farm and off-farm processing businesses that add value to an annex 1 product (such as milk, vegetables, cereals or meat). The call encourages innovative projects that strengthen local and national food supply chains that add value back to primary producers, through the development of new products and processes. Applications from the dairy sector are a priority for this call.

The applicant business must be processing an annex 1 agricultural or horticultural product. The output can be either annex 1 or non-annex 1.

Examples of support include:

- investment in equipment, technologies or processes to develop new or higher quality products
- investment in equipment, technologies or processes to reduce waste
- construction or conversion of buildings to be used for processing activities

## 2.3 Size of grants available

Grants will be available from £35,000 up to £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](http://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, 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 **£275,000**. Funding will be offered to a maximum of 7 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:

- 11 new jobs created
- Number of new products
- Number of new techniques
- Increase in wage bill of supported businesses

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 03000 200 301 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.