



Rural Payments  
Agency

## Rural Development Programme for England (2014 - 2020)

# LEADER APPLICANT HANDBOOK

**Guidance for applicants applying to the  
South Devon Coastal Local Action Group (LAG)**

**Contact details:**

**South Devon Coastal LAG  
Okehampton Business Centre  
Higher Stockley Mead  
Okehampton  
EX20 1FJ**

**01837 658643**

**[sdclag@drcompany.co.uk](mailto:sdclag@drcompany.co.uk)**



**The European Agricultural Fund  
for Rural Development:  
Europe investing in rural areas**



## **A word from John Yeoman, Chair, South Devon Coastal LAG**

The strength of the South Devon Coastal LAG is that it is a group of local volunteers whose aim it is to ensure that the funds we have available do help the local area. In this round of funding our goal is to help small businesses in most sectors to develop and grow, be more prosperous and employ more people.

As a group we use our local connections to understand what is needed in the area by talking to local people and businesses and to offer practical help to achieve it.

The South Devon Coastal LAG is able to offer funding through this programme and its local friendly face aims to achieve the best possible outcome. To find out more about the programme and how to access funding, speak to the DR Company team.

A handwritten signature in black ink, appearing to read 'John Yeoman', with a long horizontal line extending to the right.

# About South Devon Coastal LAG

South Devon Coastal LAG was first created by local community members who wanted to play an active part in local development. From the start of this group in 2008, there has continued to be a very strong grass roots led approach to local action, fully embracing the ethos and principles of LEADER and combining this with a passion and belief in doing the very best for the local area. There have been numerous benefits from this approach, including the commitment of significant voluntary resources to deliver the programme and its projects, a wealth of local knowledge to ensure that all projects are integrated and sustainable, and an innovative approach to working together; ensuring that far more is delivered than could be achieved with the funding alone.

We have been awarded €1.895m (around £1.5m) for this programme to invest in delivering the objectives of our Local Development Strategy. At the heart of this strategy is the opportunity for local people to come up with creative solutions to address the issues in their local economy. The objectives summarised below have been shown to be locally important. Where existing solutions are working, we will focus on how to make them sustainable in the long term, and where new solutions are needed we will encourage creativity. This may be through bringing in ideas from elsewhere and applying them locally, or by testing pioneering new ideas.

In addition, there are three overarching themes to ensure the overall programme is sustainable, which all projects will be expected to contribute to, as follows:

-  Supporting the rural economy
-  Maximising positive and minimising negative environmental impact
-  Providing equal access to opportunities

## Our Objectives

The key challenges and opportunities for the South Devon Coastal LAG area have been researched and the views of the community sought in order to put together our Local Development Strategy. The strategy has been presented as four key objectives, and each objective is described in more detail below, along with a summary of the areas we intend to address.

Many activities will cross over between the different objectives, and the objectives are not sector specific, although the detailed priorities make reference to sectors.

**IMPORTANT NOTE: All projects must contribute to these objectives in order to be eligible for funding.**

## **A. TO HELP OUR BUSINESSES BECOME MORE PROFITABLE AND EMPLOY MORE PEOPLE**

This objective is all about supporting a vibrant business community in which businesses have the resources to expand, to refine their activities, to extend their markets and to employ more people. Based on the response to our consultation we anticipate a high level of interest and we already have a project waiting list of over 70 specific project ideas.

### **A1 Supporting local people to set up and run successful businesses in the area**

Encouraging businesses to stay in the area by providing appropriate premises, helping to develop a skilled workforce and improving infrastructure will help to provide more jobs, reducing out migration. We are particularly keen to support businesses that offer higher value employment, and have identified specific opportunities in the marine sector to achieve this. In some cases businesses can achieve more by working together, and we will help businesses with shared marketing, shared product development and shared transport solutions that will offset problems caused by poor infrastructure. We will support businesses to get started and to succeed in the long term. We will learn from the REconomy programme in Totnes and make links into the Local Entrepreneur Forum which provides an innovative way to support new businesses. Ideas for longer term support include the development of regular business drop in sessions giving access to seminars, business/technical advice surgeries and themed workshops and high speed broadband.

### **A2 Focused support for farming and forestry businesses**

We will provide specific support to address the particular challenges that farming and forestry businesses face and encourage increased linkages with other sectors for mutual benefit. Particular types of support may include small grants for technologies that will enhance farm viability and profitability, development of apprenticeships across groups of farms, encouragement of landscape-scale conservation projects which offer economic benefit, exploration of market opportunities and product development, support for diversification from farming into complementary businesses, and support for new and growing farm enterprises (including making links to Fresh Start Academies).

### **A3 Helping to address succession planning issues**

Succession planning on farms presents a challenge in enabling two generations to work the farm simultaneously whilst generating sufficient income to be viable. Encouraging new people into farming could help to preserve the sector into the future. Support will be available to ease this difficult transition, through business start-up funding and support to enable young farmers to set up complementary businesses and through initiatives such as land matching to enable young people to access sufficient land to farm.

## **A4 Enhancing the forestry sector**

In the South Devon Coastal LAG area there is very little large scale forestry or woodland, and there is a challenge in delivering against this RDPE priority. However, local research has shown that there is the potential to develop the woodfuel market, with particular consideration of hedgerows as sources of fuel, and farmers may be able to exploit the opportunity to grow energy crops. Initiatives that assess the resource availability and develop local ideas for alternative uses for woodland would be beneficial to kick start this sector locally. There are also opportunities to develop forestry handling capacity to maximise the value of the wood produced.

## **B. TO TARGET ECONOMIC OPPORTUNITY IN RECOGNITION OF THE AGE PROFILE OF OUR POPULATION**

An issue specific to the South Devon Coastal area is a very high proportion of older, non-economically active people. At the other end of the scale, young people are frequently choosing to leave the area in order to find work with perceived better pay. This has resulted in a dramatic population imbalance. This programme will aim to take some steps to address this issue through providing employment and business opportunities for young people, along with support and guidance to help them succeed. Through this combination of objectives we will support a more integrated society with a better age balance, although it is accepted that budgetary constraints will limit the impact we are able to make.

### **B1 Supporting young people into business and employment**

We recognise the particular support that young people need in setting up their own businesses, and having learnt from the pilot Young Business Growth scheme in the previous programme, we have devised a clear mechanism through which we can offer tailored support, advice, mentoring and grant funding to help them achieve their business goals. We will also link into the Plymouth and South West Peninsula City Deal, where appropriate, to support young people and encourage the development of apprenticeships.

### **B2 Engaging with the whole population**

We will encourage older people to become more involved in their local economy by sharing their knowledge and experience with the younger generation. In addition there are opportunities for business development in industries that provide services for older people, and we will encourage proposals that exploit this opportunity. We will also promote and support home based working across the whole population, which may also present opportunities for second home owners to get more involved in the local economy.

## **C. TO HELP OUR COMMUNITIES BECOME MORE SUSTAINABLE**

There are numerous opportunities for communities to develop and deliver initiatives that offer both social and economic benefit, and we are keen to support such activity.

### **C1 Supporting enterprising communities**

Communities will be assisted to set up profitable enterprises, such as community energy schemes and community management of assets, that will generate income for investment in other community facilities.

### **C2 Improving accessibility for communities and businesses**

Whilst the budget is unlikely to accommodate major infrastructure upgrades, we are keen to support preliminary work to access other infrastructure opportunities, and projects which exploit infrastructure improvements for local benefit. We are also keen to support initiatives that provide alternatives and mitigate infrastructure issues.

### **C3 Helping communities and businesses to work together**

Businesses and communities will be encouraged to work together where this can enhance their chances of success, for example to benefit from public procurement opportunities. There is an appetite for 'networking with a purpose' among businesses, and we will support this and embed this approach in our contact with businesses.

### **C4 Supporting local plan delivery**

Many towns and villages across the area have set up their own community plans (eg Business Improvement District business plans, neighbourhood plans and town plans) or are in the process of doing so. Where there is clear linkage to the development of the rural economy we will support the delivery of these plans.

## **D. TO DEVELOP OUR LOCAL IDENTITY AND USE THAT FOR ECONOMIC BENEFIT**

The local area offers lots of opportunity to enhance the local economy, drawing on the natural environment, the extensive and increasing network of trails and routes, the exceptional food and drink industry, the range of designated areas, the inspiration of local businesses and the historic built environment and market towns.

## **D1 Developing and benefitting from our unique identity**

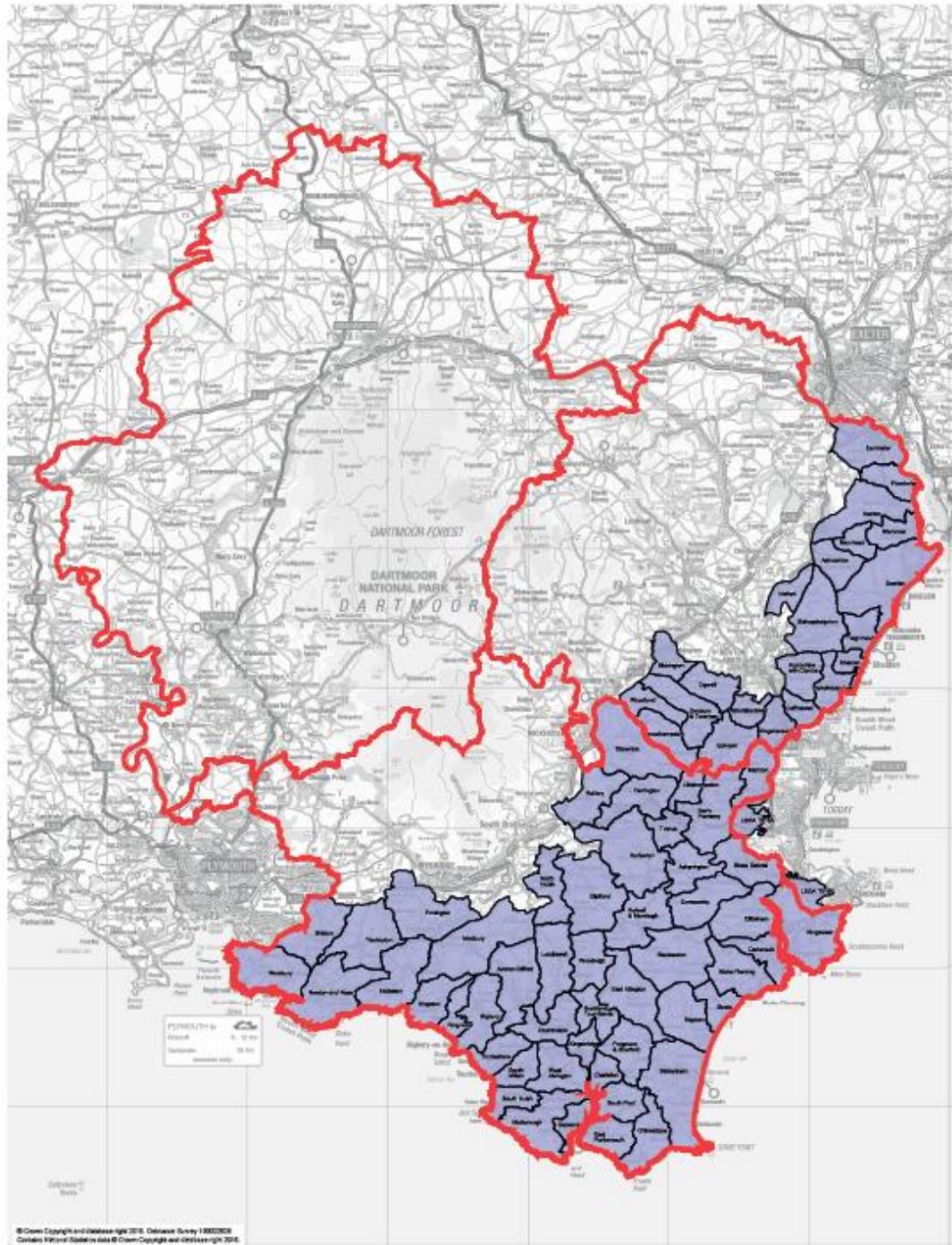
We will support initiatives that help to define what is special about the area, and build on this for economic benefit. This may be by way of shared marketing across a community or sector, or through developing new platforms to promote the area and its businesses. We are keen to exploit the virtual infrastructure where it is sufficiently robust to do so through the development of virtual attractions, virtual shops and virtual marketing platforms. These will make the area accessible to wider markets and modernise the way in which the area is perceived. Provision of public WiFi, combined with local information is of particular interest.

## **D2 Supporting tourism**

The South Devon tourism industry is well established, with the area benefitting from a mild climate and beautiful environment. There are new challenges facing the industry, including a shorter UK visitor season due to changes in legislation restricting families to taking holidays out of term-time, and low visitor spend, that require fresh thinking. Whilst the volume of visitors during high season is limited by the local infrastructure we are keen to support projects that will extend the season and increase visitor spend. Significant numbers of cruise ships dock within the area, but visitors are frequently transported out of the area to visit attractions elsewhere in the South West, presenting a valuable potential market that could be targeted. There is an opportunity to create new and enhanced tourism attractions and products that would increase visitor spend, including all weather attractions, developing routes/trails and focusing on activity tourism, devising themed breaks/short break packages, providing facilities for cycling visitors, holidays focused on the older tourist market, etc. We will encourage creative ideas that enhance the visitor experience in the area, encourage repeat and out of season tourism and increase visitor spend.

## The South Devon Coastal LAG Area

The map below shows the area that is covered by South Devon Coastal LAG. There is also a list of parishes and an online search facility on our website [www.drcompany.co.uk](http://www.drcompany.co.uk).



- South Devon Coastal
- Local Authority Boundaries

# Your Quick Guide to South Devon Coastal LAG Funding

If you have an idea for your business or community that you are seeking funding for, this quick guide gives you the essential information to get you started.

The remainder of this document explains the national guidance on funding and projects, and sets out the rules within which the South Devon Coastal LAG funding operates. However, all funding decisions will be made locally, and the following checklist shows the criteria that all projects must meet in order to be considered for funding.

- 🌾 Your business or community is within the South Devon Coastal LAG area (see map above)
- 🌾 Your idea links directly to at least one of the objectives described above.
- 🌾 Your idea fits under one of the six national priorities listed within this document.
- 🌾 Your idea will contribute in some way to the local economy, preferably by creating new job(s) or extending the hours of existing staff, although ideas that help businesses become more profitable or provide general economic support may also be considered
- 🌾 You are looking for between £2,500 and £100,000 of South Devon Coastal LAG funding
- 🌾 If you are a profit making business, you can obtain at least 60% of the total costs from other sources, such as your own resources, or a bank loan
  - Note: If you are a not for profit organisation, such as a Community Interest Company or a charity, you may be able to obtain a higher proportion of funding from South Devon Coastal LAG, but you will need to discuss this with your Project Advisor.
- 🌾 You have not started work on your idea yet
- 🌾 You can wait around 2-3 months before starting in order for your application to be considered and decided upon
- 🌾 You are prepared to sign up to a contract for funding, and to complete detailed paperwork in order to receive the money

If you are able to tick all of these boxes, we recommend contacting our team of friendly Project Advisors for more advice and to start off your application for funding.

01837 658643

sdclag@drcompany.co.uk

You can also find further information on our website: [www.drcompany.co.uk/sdclag](http://www.drcompany.co.uk/sdclag)

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## What is LEADER?

Under LEADER, Local Action Groups (LAGs) can allocate grant funding to local businesses and organisations to help them carry out projects which create jobs, help the business to grow and which benefit the rural economy.

The LEADER scheme is part of the Rural Development Programme for England (RDPE) and is funded by the European Agricultural Fund for Rural Development (EAFRD). Money from the programme is given to Local Action Groups (LAGs) so that they can award grants locally to businesses and organisations that apply for it. The Rural Payments Agency (RPA) manages the LEADER scheme nationally on behalf of Defra and will make the payments to successful applicants.

All RDPE projects approved before the point at which the UK departs the EU will be funded, subject to two conditions: that the projects provide good value for money and are in line with domestic priorities.

A LAG is made up of local public, private and civil society representatives, who work together to fund projects that help to improve their local rural economy.

LEADER is a French acronym which roughly translates as 'Liaison among Actors in Rural Economic Development'.

**There is no automatic right to a LEADER grant and not all applications will be successful.** The LAG will decide which projects should receive grant funding by assessing each application. This handbook gives more detail about how applications are assessed and what the criteria are.

### What will LEADER fund?

LEADER will fund farmers, growers, foresters, other local rural businesses and rural community organisations to help:

- create jobs;
- develop and grow rural businesses; and
- support the rural economy.

To be successful, applications must contribute to one or more of Defra's 6 priorities for LEADER, which are to:

- increase farm productivity;
- support micro and small businesses and farm diversification;
- boost rural tourism;
- provide rural services;
- provide cultural and heritage activities; and
- increase forestry productivity.

## **How much funding is available?**

The grant amount will depend on:

- the type of project;
- the size of the business; and
- the costs involved (NB: not all the costs of a project may qualify for funding).

The minimum grant that can be applied for is £2,500. The maximum grant amount is £100,000.

Grants will typically be limited to a maximum of 40% of the project's total eligible costs. However some types of projects can get higher rates – read the sections on specific priorities later in this handbook for more information about individual grants.

## **Following the terms of a grant funding agreement**

Successful applicants who are offered a grant will need to follow the terms of the grant funding agreement throughout the whole period – and for 5 years after the date of the final payment. This will be explained in more detail when a grant is offered.

If the terms aren't followed for the entire period, the LAG may withdraw the grant offer or recover some – or all – of the money paid.

## **Paying for the project**

Grant payments are paid in arrears and therefore applicants need to demonstrate that they have sufficient funds to pay for the project costs until grant payments are received. It is expected that a maximum of 3 claims will be paid per project and that the minimum grant value of each claim will be £2,500.

Grant payments can only be claimed:

- in agreed stages (typically quarterly); and
- after the work being claimed for is complete and paid for.

If any equipment used in the project is bought using lease purchase or hire purchase, applicants must own the equipment outright before any grant money is paid towards it. That means that the applicant will need to have paid all instalments for the equipment and show that title to the equipment has passed to them before being paid any grant money towards it. If you are considering funding your project this way, **please contact us before you apply.**

## **Second-hand equipment**

If an applicant is proposing to buy second-hand equipment, at the point of claiming their grant, they must provide a declaration from the seller that proves:

- the original proof of purchase;
- it hasn't been bought using public funds in the last 7 years;
- it meets current health and safety legislation;
- it has at least 5 years' useful life remaining from the date of the final grant payment; and
- it doesn't cost more than the market value for new equipment.

## Who can apply?

***To apply for LEADER funding the applicant (or their project or beneficiaries) must be in a LAG area.***

Applications can be made by farmers, growers, foresters, other local rural businesses and rural community organisations who are in the South Devon Coastal LAG area. They could be:

- private businesses;
- public organisations;
- voluntary organisations;
- groups of businesses
- charities or
- someone who wants to start a business.

***Applicants must be a 'legal entity' and able to sign a legally binding contract.***

Not all of the Rural Areas in England are covered by a LAG. The project you are applying for must be in a LAG Area. There is a map of the South Devon Coastal LAG Area at the front of this handbook. If it is unclear if your location is covered further details can be found at [www.drcompany.co.uk/sdclag](http://www.drcompany.co.uk/sdclag).

You could apply for more than one grant from the South Devon Coastal LAG, as long as they are for different projects.

### How to determine business size?

Under some priorities the grant amount and eligibility will depend on the size of the business. The size of the business depends on the number of full-time equivalent (FTE) employees it has and its financial performance. Applicants should use the table to check which category they are in.

<b>Number of FTE employees</b>	<b>Turnover or balance sheet Total</b>	<b>Business category</b>
Fewer than 250	€50 million (about £39 million) or less	Medium
Fewer than 50	€10m (about £7.9 million) or less	Small
Fewer than 10	€2m (about £1.6 million) or less	Micro

### **What is an FTE employee?**

Anyone who works a minimum of 30 hours per week counts as 1 FTE employee. A person working 30 hours a week for 3 months of the year would be 0.25 FTE employee. FTEs include business partners and directors. If a business partner, director or other employee works more than 30 hours per week they still count as 1 FTE employee.

### **Linked Businesses**

The business will be treated as one legal entity if it is linked with one or more other businesses. The applicant therefore needs to take into consideration the FTE employees and financial information of any other businesses to which they are formally connected.

Two or more businesses are considered to be linked when they have any of the following relationships:

- one business holds a majority of the shareholders' or members' voting rights in another;
- one business is entitled to appoint or remove a majority of the administrative, management or supervisory body of another;
- a contract between the business, or a provision in the memorandum or articles of association of one of the businesses, enables one to exercise a dominant influence over the other; and
- one business is able, by agreement, to exercise sole control over a majority of shareholders' or members' voting rights in another.

Businesses may also be considered as linked if they are controlled by the same directors and operate in adjacent markets.

Further guidance on what is deemed as a formal connection is provided within the guidance 'The new SME definition – user guide and model declaration' at <http://ec.europa.eu/DocsRoom/documents/10109/attachments/1/translations/en/renditions/native>.

### **Who can't apply?**

Government Departments cannot apply for grants under the LEADER Scheme:

Producer Organisations or their members under the Fresh Fruit and Vegetables Aid Scheme can't apply to receive a grant towards any items also funded by that Producer Organisation.

## **If an applicant already has public funding**

Applicants will be asked to declare whether they or any businesses they are formally linked with have received funding from EU or other public sources when they apply. Applicants will need to explain in detail what this funding was used for and whether or not it has been awarded under **agricultural or industrial de minimis** state aid. If it has, reductions may have to be made to the amount of grant that can be offered to ensure that it does not exceed the state aid permitted. Further information about state aid is available from [www.gov.uk/state-aid](http://www.gov.uk/state-aid). Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit. De minimis rules mean that a single undertaking can only receive up to 200,000 Euros of de minimis aid over a three year fiscal period.

## **Available grants**

There are grants available for many different types of activity, but they each support at least one of the 6 LEADER priorities.

This handbook gives some examples of the kinds of projects that are likely to be supported by the South Devon Coastal LAG. The scope of LEADER is very wide however, so we are not able to give a list of all types of projects that may be eligible for funding.

Applicants are encouraged to contact [sdclag@drcompany.co.uk](mailto:sdclag@drcompany.co.uk) to discuss their project idea at an early opportunity.

**LEADER funding is limited and will be prioritised towards applications that contribute the most to the South Devon Coastal LAG's strategy.**

The types of project that the South Devon Coastal LAG might fund, and how much funding it might offer for these, fit into one of the 6 national priorities. These are set out later in pages 9 to 28 of this handbook.

## Costs which can't be claimed

The following are not eligible for **any application under any priority**:

1. costs that are incurred before the date of the grant funding agreement;
2. costs for standard agricultural or horticultural inputs, like animals, seed, feed, fertiliser, sprays and annual crops;
3. costs of agricultural production rights and payment entitlements;
4. costs of getting any consents needed, for example planning permission;
5. costs for anything that's a standard industry obligation, for example requirements of the Basic Payment Scheme <https://www.gov.uk/government/collections/basic-payment-scheme>;
6. financial charges, such as interest, fines and maintenance;
7. reclaimable VAT;
8. any items already subject to EU or national funding;
9. projects the applicant is required to do to meet a legal or statutory requirement;
10. like for like replacements of existing items such as buildings, equipment and machinery;
11. costs connected with a leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges;
12. salaries and running costs for commercial projects;
13. long term salaries and running costs for community or not for profit projects;
14. the delivery of training activities

*Note - Some limited salary costs or running costs MAY be eligible in limited and specific circumstances. Eligibility of these costs will be considered on a case by case basis and will only be considered where the business need is clearly articulated and directly linked to supporting rural jobs and growth. Please talk to the South Devon Coastal LAG before submitting an outline application if your project involves any salary costs or running costs.*

15. like for like relocation of the business;

*Note - if the business needs to relocate in order to expand it can only apply for funding towards the costs of the expansion.*

16. own labour;
17. in-kind contributions;
18. renewal of licence fees, subscriptions and service charges;
19. standard computers, standard business computer software e.g. for management of accounts, and mobile telephone equipment;
20. costs for plant and equipment directly associated with the generation of energy from renewable sources.
21. standard, non-specialised domestic vehicles, such as cars, (including 4 X 4), motorbikes;
22. moveable fittings such as soft furnishing, beds, tables, chairs, curtains, television and audio equipment, crockery, cutlery, small domestic kitchen equipment (eg toasters, kettles, food mixers etc.);
23. contingency budgets

Please check the following pages for details of any other costs which are ineligible under specific priorities. If you have any queries about eligibility then please contact the South Devon Coastal LAG.

## Priority 1- Support to increase farm productivity

These grants will support a wide range of farm investments. They are particularly for businesses that want to invest **in innovative business practices** and **new technologies** to help them become more sustainable and productive. Any application will have to demonstrate how it contributes to the growth of the business and preferably job creation. Grants are not available for investments in standard agricultural or horticultural practices.

Please note that not all eligible applications will be funded. LEADER is a competitive process and funding will depend on the priorities of individual LEADER groups.

There are 3 main types of projects that could be supported under priority 1:

- 1a) a project to improve the overall performance and sustainability of an agricultural holding;
- 1b) an investment to support animal health and welfare improvements; or
- 1c) the processing, marketing and/or development of agricultural products.

### **a) A project to improve the overall performance and sustainability of an agricultural holding**

#### **Who can apply**

- Farmers
- Groups of Farmers
- Horticultural producers

#### **Grant limits**

The maximum grant rate is capped at 40% of the eligible project costs. The maximum grant that South Devon Coastal LAG will offer is £100,000.

#### **What is eligible**

Applications for grants could include the following, which are given as examples:

- equipment and machinery to improve the efficiency of the use of energy, water, fertiliser and other direct inputs (*for example precision farming or new*

*technologies, GPS linked to variable application monitors, air scrubbers & heat exchangers, Variable speed vacuum pumps, LED lighting in livestock housing, thermal screens in livestock and horticultural buildings, replacement of bell drinkers with nipple feeders in poultry systems, remote crop sensing systems, crop robotics, water filtration in pigs and poultry);*

- equipment and machinery to reduce impacts on soils and to reduce greenhouse gas emissions (*for example specialist drills to enable low or zero tillage farming*);
- Investments to improve the management of slurry and manures to reduce the reliance on artificial fertilisers; (*for example trailing shoe slurry system including macerators as part of the application equipment, slurry separator but not associated reception pit and storage facilities, pumps or associated distribution pipework, shallow injection systems for slurry, dribble bars, GPS for use with slurry and manure application*) and
- Investments to mechanise production and increase productivity (*such as robotic milking parlours, crop robotics.*)

**Costs could include:**

- the purchase or hire purchase of new and second hand equipment (please see further guidance on hire purchase and second-hand equipment on page 3);
- general costs such as, engineer and consultation fees (limited to 15% of the project's total eligible costs);
- intangible investments including acquisition or development of non-standard computer software;
- acquisition of patents, licences, copyrights and trademarks.

## What isn't covered

In addition to the list of costs which can't be claimed on pages 5 to 6 the following are defined as standard agricultural or horticultural practice and **are not eligible under Priority 1a.**

<u>General</u>	
tractors	cow tracks
material handlers	basic footpaths
workshops and sheds for maintenance equipment	general purpose buildings including storage sheds for inputs, hay, fodder
flat bed trailers	excavation and earth moving equipment
tipping trailers	all fencing and gates
hedge cutter	post driver
hedge trimmer	
<u>Arable/Grassland</u>	
combine harvesters	bale lifter
grain trailers	bale rake
forage harvesters	bale wrapper
cultivator	flat bed trailers
subsoiler	backhoe loader
crop harvesting equipment including potato , sugar beet, vegetable and salad crop harvesting	Stand alone GPS systems which cannot be linked to either slurry and manure application systems or application rate monitors to aid precision farming.
plough	front end loader
mole plough	forklift/material handlers
soil aerators	grain handling equipment including grain buckets
land drainage equipment	on farm grain store
basic seed drill	on farm grain dryer
harrows	balers; conventional, round and square
rotavator	nutrient sensors
roller	potato planter
sprayer	mower and mowers with conditioners
fertiliser spreader	rake
grass rakes and turners	buck rake
<u>Slurry/ manure management</u>	
manure/slurry spreader	slurry stores/reception pits
slurry tanker	pumps and associated distribution pipework for handling of slurry and manures.

<b><u>Dairy sector</u></b>	
new livestock buildings or structural improvements to old buildings	livestock feed preparation and rationing equipment including feed mixer wagons, mill, pelleters, mixers and complete diet feeders
bulk milk tank	milk jars
milking parlour	automatic cluster removers
milk pumps	in parlour recording and monitoring.
<b><u>Livestock</u></b>	
new livestock buildings or structural improvements to old buildings	buildings and structures used for fodder storage and bedding storage
livestock feed preparation and rationing equipment including feed mixer wagons, mill, pelleters, mixers and complete diet feeders	dirty water systems (as these tend to be different to slurry handling)
livestock trailer	
yard scraper	silage pits/clamps
feed troughs	
<b><u>Horticulture</u></b>	
Greenhouses	Polytunnels

## **b) An investment to support animal health and welfare improvements**

The aim of this priority is to improve farm productivity and therefore growth of the business by improving animal health and welfare.

### **Who can apply**

- Farmers
- Groups of farmers.

### **Grant limits**

The maximum grant rate is capped at 40% and the maximum grant amount is £100,000.

## What is eligible

Applications for grants could include:

- Equipment and machinery to improve the monitoring of the consumption of animal feed and water (*such as real time monitoring of pig production; collar based rumination systems*)
- Equipment to improve animal welfare (*such as gait analysis systems, calving detectors, oestrus detection in suckler cows, cluster flush systems in dairy parlours, robotic milking parlours ( but not the parlour building), automatic footbaths, interventions to prevent injurious pecking in poultry (eg variable intensity lighting, verandas) duck showers*)
- Equipment and machinery to improve animal handling above 'standard equipment' (*such as mobile handling systems, ,electronic weigh systems linked to EID and automatic/shedding drafting gates linked to EID readers, EID readers, foot trimming crush, side access crush, sheep turner, sheep weigher*) (Please note £500 will be deducted from the eligible costs of complete static crush systems to cover the costs associated with a basic cattle crush)

### Costs could include:

- the purchase or hire purchase of new and second hand machinery and equipment (please see further guidance on hire purchase and second-hand equipment on page 2)
- general costs such as engineer and consultation fees (limited to a maximum of 15% of the project's total eligible costs);
- intangible investments including, acquisition or development of specialist computer software;
- acquisition of patents, licences, copyrights and trademarks.

## What isn't covered

In addition to the costs which can't be claimed on page 7 and 8 and the ineligible costs listed under Priority 1a the following are defined as standard agricultural practice, and are not eligible:

- basic cattle crush
- livestock trailers
- de-horners
- castrators
- teat sprays and teat dips
- upgrading of cubicles or installation of new cubicles
- slatted floors
- concrete grooving
- pig units or pig pens

### **c) The processing, marketing and/or development of agricultural products**

The aim of this Priority is to help businesses in the food and drink and horticulture sectors to develop and grow through investment in infrastructure, equipment and machinery. These grants are for on-farm or off-farm processing businesses that add value to an annex 1 product (such as milk, meat, vegetables, fruit, grapes or cereals).

#### **Who can apply**

- Farmers
- Landowners
- Micro and small processing businesses
- Someone who wants to start a processing business.

#### **Grant limits**

If the project involves processing, the amount of the grant depends on whether the end product of the processing is listed as an 'Annex 1' product or not as listed in the Treaty on the Functioning of the European Union. The majority of raw materials must be Annex 1 products. See the list of Annex 1 products at [http://eur-lex.europa.eu/resource.html?uri=cellar:07cc36e9-56a0-4008-ada4-08d640803855.0005.02/DOC\\_45&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:07cc36e9-56a0-4008-ada4-08d640803855.0005.02/DOC_45&format=PDF).

The maximum grant rate is capped at 40% and the maximum grant amount is £100,000.

\* [De minimis state aid regulations](#) mean that a maximum of €200,000 (currently around £145,000) of Public Funds is available to any one undertaking in any rolling period of 3 financial years. If an applicant has had other public funding this may count towards the de minimis aid amount and reduce the amount of money they can apply for from LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit. Please also note that any de minimis state aid received by linked businesses may also count towards the de minimis maximum amount.

## What is eligible

Applications for grants could include:

- investment in equipment, technologies or processes to develop new or higher quality agri-food products
- investment in equipment, technologies or processes to reduce waste;
- marketing activity, excluding hard copy material, associated with the above investments;
- construction or conversion of buildings to be used for processing activities;
- investments in the production, processing and marketing of non-timber forest products, particularly wild venison. This could include on-holding cold storage and butchery facilities
- Investments in collaborative grain processing facilities which benefit a number of farmers

## Costs could include:

- construction, acquisition (including leasing) and/or improvements to buildings
- the purchase or hire purchase of new and second hand equipment (please see further guidance on hire purchase and second-hand equipment on page 2);
- general costs such as architect, engineer and consultation fees (restricted to a maximum of 15% of total project costs);
- intangible investments including, acquisition or development of specialist computer software;
- acquisition of patents, licences, copyrights, trademarks.

## What isn't covered

The list of costs which can't be claimed is on pages 7 and 8.

## **Priority 2 - Support for micro and small businesses (non-agricultural) and farm diversification**

Funds under this priority will be used to provide grants for:

- developing or starting rural micro and small businesses; and
- farm diversification projects (for example, farm shops, contracting services using technologies that are eligible under priority 1a or 1b).

### **Who can apply**

These grants are for:

- micro and small businesses based in rural locations, including social enterprises;
- people who want to start a business that is in a rural area; and
- farming or horticultural businesses that want to diversify (expand into non-farming or non-horticultural activities).

### **Grant limits**

Grant awarded under this priority to projects making an economic gain are awarded under de minimis state aid rules\* or capped at 40% of the project's eligible costs, whichever is the lesser. The maximum grant that South Devon Coastal LAG will offer is £100,000.

### **State aid rules**

\* [De minimis state aid regulations](#) mean that a maximum of €200,000 (currently around £145,000) of Public Funds is available to any one undertaking in any rolling period of 3 financial years. If an applicant has had other public funding this may count towards the de minimis aid amount and reduce the amount of money they can apply for from LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit. Please also note that any de minimis state aid received by linked businesses may also count towards the de minimis amount.

### **What is eligible**

Grants can be used for:

- starting a new business
- developing an existing business
- diversifying an agricultural or horticultural business;

### **Costs could include:**

- construction, acquisition (including leasing) or improvement to buildings;
- the purchase or hire purchase of new and second hand machinery and equipment (please see further guidance on hire purchase and second-hand equipment on page 3);
- general costs such as architect, engineer and consultation fees (restricted to a maximum of 15% of total project costs);
- intangible investments including, acquisition or development of specialist computer software;
- acquisition of patents, licences, copyrights, trademarks;

### **What isn't covered**

In addition to the list of costs which can't be claimed on pages 7 and 8, the following are also not eligible under priority 2

- moveable fittings such as soft furnishing, beds, tables, chairs, curtains, television and audio equipment, crockery, cutlery, small kitchen equipment (e.g. toasters, kettles, food mixers etc.);
- computers, software and printers used for the general running of the business such as processing orders and accounts
- consumables
- if funding agricultural contractors, equipment for standard agricultural or horticultural practice, including any of the ineligible items listed under Priority1

## Priority 3 - Support for rural tourism

The kinds of tourism business start-up and business development projects that are likely to attract funding will be those developing high quality visitor products and services that link tourism providers, extend the tourism season and encourage visitors to stay.

### Who can apply

These grants could be for:

- new or existing micro or small businesses (this includes farm businesses diversifying into tourism activities);
- community groups;
- a group of rural tourist businesses working together to develop joint activity;
- local authorities;
- charities
- public-private partnerships;
- Non-Governmental Organisations (NGOs);
- organisations in charge of tourist and recreational development, for example a destination organisation (that is, an organisation whose role is to promote tourism in a particular location or area).

### Grant limits

The maximum grant amount is £100,000.

The maximum grant rate will depend on whether or not the project is a commercial project which aims to generate an operating surplus, regardless of the type of applicant organisation. . Grants limits are:

- up to 40% of the eligible project costs for commercial tourism projects and awarded under de-minimis state aid rules.
- up to 80% for non-profit making projects that have a benefit in terms of value added to the wider local tourist economy, (for example events and festivals) and where there is some income to offset costs.
- up to 100% for projects that have a benefit in terms of value added to the wider local tourist economy where there is no income, such as paths, cycle paths, signage and interpretation boards for paths and trails, visitor information centres.

\*[De minimis state aid regulations](#) mean that a maximum of €200,000 (currently around £145,000) of Public Funds is available to any one undertaking in any rolling period of 3

financial years. If an applicant has had other public funding this may count towards the de minimis aid amount and reduce the amount of money they can apply for from LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit. Please also note that any de minimis state aid received by linked businesses may also count towards the de minimis amount.

## **What is eligible**

Eligible areas of support include:

- developing high quality visitor products and services that encourage visitors to stay longer, link tourism providers together and extend the tourism season;
- supporting tourism activities/niche products linked to quality local food, culture, sport heritage and rural crafts/assets such as heritage events and festivals promoting local culture;
- supporting shops, catering services - restaurants and cafes where there are wider benefits to the local tourism economy;
- developing access infrastructure to help people connect to the natural environment such as paths and cycle-ways;
- small scale tourism infrastructure, such as small buildings for tourist information centres, visitor centres, shelters and signage and interpretation boards;
- small IT infrastructure such as e-booking systems for tourist services;
- supporting tourism information centres and associated visitor information;
- developing culture, leisure, heritage, visitor activities or attractions and the associated marketing and signposting of these;
- supporting events and festivals; and
- developing innovative technology that enhances collaboration between businesses and provides information to attract visitors.

## **Costs could include:**

- construction, acquisition (including leasing) or improvement to buildings;
- the purchase or hire purchase of new and second hand machinery and equipment (please see further guidance on hire purchase and second-hand equipment on page 2);
- general costs linked to facilitating investments such as architect, engineer, consultation fees, but these can't add up to more than 15% of the project's total eligible costs;
- marketing and promotion (excluding printing) where these are part of a larger project;
- capital costs involved in supporting events and festivals (for example equipment hire, marquee hire, marketing development costs);

- short term salaries associated with project development for example for events and festivals; and
- intangible investments including, acquisition or development of specialist computer software and acquisition of patents, licences, copyrights, trademarks.

## **What isn't covered**

In addition to the list of costs which can't be claimed on pages 7 and 8 the following costs are not eligible under this priority:

- computers, software and printers used for the general running of the business such as processing orders and accounts;
- moveable fittings such as soft furnishing, beds, tables, chairs, curtains, television and audio equipment, crockery, cutlery, small domestic kitchen equipment(e.g. toasters, kettles, food mixers etc.);
- landscaping – unless it is part of 'making good' for an application for a major attraction or accommodation expansion. In which case, only the landscaping contractor's fees would be eligible excluding the costs of plants, seeds, turf or trees;
- projects to solely meet statutory requirements for disabled access, fire regulations or emergency exits, unless the costs of providing access, exit and complying with regulations forms part of the normal costs for a major expansion project; and
- salaries and office overheads of applicant staff employed to run events and festivals.

## Priority 4 - Provision of rural services

These grants are for projects that aim to alleviate some of the difficulties faced by rural communities, particularly the lack of access to services and the provision of infrastructure. Projects should make a contribution to growing the local economy. They could include, the development of community buildings, public spaces, or cultural or tourism amenities.

### Who can apply

These grants could be for:

- new or existing micro or small businesses;
- rural community organisations;
- charities
- public or private entities working in partnership with small and micro business and rural community groups; and
- local authorities (in exceptional circumstances, where for example the project outcomes are enhanced by their inclusion, or the local authority can show that the project and the funding required is in addition to their statutory requirement to provide rural services).

### Grant limits

The maximum grant amount is £100,000.

The maximum grant rate will depend on whether or not the project is a commercial project which aims to generate an operating surplus, regardless of the type of applicant organisation. Grants limits are:

- up to 40% of the eligible project costs for commercial activities where there is the intention to generate a profit or surplus, (for example a transport or social care service operating commercially) awarded under \*de-minimis state aid rules.
- up to 80% for non-profit making projects that have a benefit in terms of value added to the wider rural community, and where there is some income to offset costs but no profit or dividend (for example a community hall where any income covers operating costs and maintenance).
- up to 100% for projects that have a benefit in terms of value added to the wider rural community where there is no income, such as playgrounds, free transport services where there is no charge made for the service.

## State aid rules

\*[De minimis state aid regulations](#) mean that a maximum of €200,000 (currently around £145,000) of Public Funds is available to any one undertaking in any rolling period of 3 financial years. If an applicant has had other public funding, this may count towards the de minimis aid amount and reduce the amount of money they can apply for under LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit. Please also note that any de minimis state aid received by linked businesses may also count towards the de minimis amount.

## What is eligible

Types of projects could include:

- plans for the development of municipalities and villages in rural areas and their rural services;
- setting up, improving or expanding of essential rural services for the local community;
- projects that involve visits to farms for educational purposes so that the public has a greater understanding of the countryside and rural areas;
- creation, improvement or expansion of small-scale village infrastructure projects, including amenity buildings and village access (for example footpaths);
- developing village infrastructure and access to key services, which may include tourism projects that increase services for the local community and contribute to village renewal;
- setting up, improving or expanding essential services (for example transport) for the local community.

## Costs could include:

- construction, acquisition (including leasing) or improvement to buildings;
- the purchase or hire purchase of new and second hand machinery and equipment (please see further guidance on hire purchase and second-hand equipment on page 3);
- general costs linked to facilitating investments such as architect, engineer, consultation fees, but these can't add up to more than 15% of the project's total eligible costs.

## What isn't covered

In addition to the general list of costs which can't be claimed on pages 7 and 8 the following costs are not eligible under this priority:

- computers, software and printers that are used for the general running of a business, such as processing orders and accounts;
- salaries associated with the on-going running of projects;
- access to broadband services;
- landscaping - unless it is part of 'making good' for an application for a major attraction or accommodation expansion. In which case, only the landscaping contractor's fees would be eligible excluding the plants, seeds, turf or trees;
- projects to meet statutory requirements for disabled access, fire regulations or emergency exits, unless the costs of providing access, exit and complying with regulations form part of the normal costs for a major expansion project.

## Priority 5 - Support for cultural and heritage activity

This focuses on the promotion, enhancement and maintenance of cultural heritage assets and events where this promotes growth in the tourism economy and:

- creates a sense of local identity through raised awareness of their importance; and/or
- helps protect cultural heritage features against damage and degradation.

### Who can apply

- landowners;
- rural community groups;
- local authorities (in exceptional circumstances, where for example the local authority can show that the project and the funding required is in addition to their statutory requirement to provide this kind of activity and the project will be of benefit to farmers, landowners and/or rural communities).

Please note it is assumed that the activity will not take place on an agricultural holding. Any farmers that are seeking grant support for activity under this priority should talk to Natural England in the first instance as funding may be available under Countryside Stewardship.

### Grant limits

The maximum grant amount that will be awarded by the South Devon Coastal LAG will be £100,000. The grant rate can be up to 100% and is awarded under de minimis state aid rules.\*

All investments must be able to demonstrate a benefit to the wider local economy.

### State aid rules

\*[De minimis state aid regulations](#) mean that a maximum of €200,000 (currently around £145,000) of Public Funds is available to any one undertaking in any rolling period of 3 financial years. If an applicant has had other public funding, this may count towards the de minimis aid amount and reduce the amount of money they can apply for under LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit. Please also note that any de minimis state aid received by linked businesses may also count towards the de minimis amount.

## **What is eligible**

- the costs of construction and/or restoration of buildings and other physical assets, including general costs such as architects and engineering fees;
- the costs to enhance, restore and upgrade the cultural and natural heritage of villages and rural landscapes and high nature value sites;
- the conservation of small scale built heritage;
- the costs to enhance cultural and community activities and investments to enhance venues providing cultural an heritage activity; and
- the costs of events linked to cultural activity.

## **What isn't covered**

In addition to the general list of costs which can't be claimed on pages 7 and 8 the following costs are not eligible under this priority:

- computers, software and printers that are used for the general running of a business, such as processing orders and accounts;
- salaries associated with the on-going running of projects;
- access to broadband services;
- landscaping - unless it is part of 'making good' for an application for a major attraction or accommodation expansion. In which case, only the landscaping contractor's fees would be eligible excluding the plants, seeds, turf or trees; and
- projects to solely meet statutory requirements for disabled access, fire regulations or emergency exits, unless the costs of providing access, exit and complying with regulations form part of the normal costs for a major expansion project.

## Priority 6 - Support for increasing forestry productivity

Forestry is making an increasing contribution to rural growth - it is helping to diversify the farm economy and reduce the carbon footprint of local communities. More than 80% of England's woods are privately owned. Funding under LEADER will aim to deliver permanent new supply chains and jobs that, at the same time, restore regular management to local woods and encourage a greater degree of added value to the timber output.

### Who can apply

- Owners or tenants of private forestry holdings
- Micro, small and medium-sized forestry contracting businesses.

### Grant limits

Applicants can apply for a maximum of 40% of the projects' eligible costs.

The maximum grant amount awarded by the South Devon Coastal LAG will be £100,000.

### What is eligible

- investments in machinery and equipment to help the production, extraction, mobilising, processing and marketing of timber and non-timber forest products;
- the processing, mobilising and marketing of products for new forestry technologies;
- investments that enhance forestry potential or add value to forest products by processing, mobilising or marketing;
- the costs of developing wood-fuel supply chains;
- transportation of wood within a forest by specialised forestry equipment, excluding standard transport activities;

**Examples** of eligible items include:

Eligible items	Comments
Winches and associated equipment for extraction (including skyliners);	
Trailers designed specifically for hauling timber or logs;	

Eligible items	Comments
Tractor or trailer mounted Cranes designed for extracting timber from woodland.	
Wood chippers;	should produce woodchip that meets European chip size standards for biomass heating systems for the chips to have an end use.
Trommel or other types of chip-screening equipment.	
Firewood processors;	
Mobile saw bench or mobile saw mill.	
Timber processor and harvesting heads for primary processing of felled trees;	these items must meet all Health and Safety Executive guidelines on rollover, operator and falling objects protection to be eligible
Forwarders (log-moving vehicles);	
Forest harvesters;	
Skidders – these must be used in line with UK Forestry standards;	
Tractor-mounted forestry grabs or tongs.	
Log decks;	
Forestry tractors	Forestry guarding must be factory fitted and meet CE standards.
Racks;	
Log conveyors;	
Log lifters;	
Bagging shoots;	
Firewood and wood splitters;	
Kindling machines;	
Bagging equipment associated with firewood processors;	
Covered areas for processing, storing and seasoning; including solar kilns	
Hard standing for processing, storing and seasoning;	
Moisture meters;	
Force drying systems	

### **What isn't covered**

In addition to the list of costs which can't be claimed on pages 7 and 8 the following costs are not eligible under this priority:

- large scale or industrial processing undertaken by static machinery with an annual processing capacity that is more than 10,000m<sup>3</sup>.
- hand tools (including chain saws, strimmers and brush cutters) and consumables;
- investments in woodland creation or the management of woodland itself;
- the preparation of woodland management plans
- Personal protective clothing
- Standard or small scale tractors
- All-terrain vehicles
- Tipping trailers
- Flat bed trailers
- Box trailers
- Wood-fired boilers

*Please note that woodland owners will need to submit a woodland management plan with their application.*

## How to apply

There are two stages to the application process – an Outline Application and a Full Application. Applications are assessed at both stages and only the highest-scoring at the Full Application stage will be successful.

Applicants will need to fill out 2 application forms to apply for a LEADER grant:

1. an Outline Application; then, if successful,
2. a Full Application.

### Stage 1 – the Outline Application

Applicants will be sent an Outline Application by email after making contact with the South Devon Coastal LAG via the website at [www.drcompany.co.uk/sdclag](http://www.drcompany.co.uk/sdclag), or by using the details on the front cover of this Handbook.

On the Outline Application form, applicants will need to give the following details about their proposed project:

- their business or organisation details;
- the location;
- what the objective is;
- how it will be done;
- who will benefit from it (for example, how it will help the business to grow and create jobs, or what difference the project will make to the rural economy);
- how it will benefit other businesses, including suppliers;
- how much it will cost;
- why a grant is needed to fund it; and
- how much funding is needed, for how long and what the money will be spent on.

The Outline Application form is submitted electronically, as an Excel spreadsheet. After the form has been submitted, applicants will receive an email acknowledgement within 2 working days.

The form will then be checked to make sure it includes all the right information. If information is missing, the application will be returned to the applicant to supply the missing information. If the complete application isn't received by the deadline given by the LAG, it may be rejected and the application will not be progressed.

For further details on how to complete the outline application please refer to the Outline Application Form Guidance or contact your Project Advisor.

## **How Outline Applications are assessed**

Outline Applications will be assessed and not all outline applications will necessarily be asked to proceed to the full application stage.

The assessment will cover a range of factors including:

- if the business and the proposed project activities are eligible under the scheme; and
- how the project fits the LAG's Local Development Strategy for the priorities for LEADER.

**LEADER funding aims to increase economic activity including business and jobs growth. An application will not be successful if the proposed project simply moves activity from one place to another, or replaces similar activity at either a national or local level.**

Once they have assessed the application, the LAG will either:

- invite the applicant to submit a Full Application (the invitation may include conditions the applicant will need to address); or
- explain why the project can't be supported.

If an Outline Application needs more work, the LAG will suggest areas for improvement and explain where applicants can get more help and support before the application can be resubmitted.

## Stage 2 – the Full Application

**Being invited to submit a Full Application is no guarantee of grant funding.**

If the Outline Application is successful, applicants will be sent a Full Application form together with all of the supporting information.

The Full Application form asks for more detail about the project - building on the information given at the outline stage.

It will also ask if there have been any changes to the project since the Outline Application, what they are and how they will enhance the project. **Please note that if there are significant changes to the project a revised Outline Application may be required before proceeding.**

After the form has been submitted, the applicant will receive an acknowledgement by email within 2 working days. The South Devon Coastal LAG will check the form to make sure that it includes all the right information.

If any information is missing, the form will be returned to the applicant and the LAG will ask them to return it with the missing information, giving a timescale for when the missing information is needed by. If the detail requested isn't received within this timescale, the application could be rejected.

### Evidence to send with a Full Application

Applicants need to complete the checklist at the end of the Full Application form to explain the supporting evidence that they are supplying, which must include:

- catalogue listings or quotes for all items of expenditure;
- an explanation of how the project will be funded and confirmation of match funding;
- financial accounts for the applicant's business;
- any permissions, consents and licences required for the project;
- supporting case studies, market research or feasibility studies;
- evidence of project team's experience and capacity to deliver;
- any relevant photographs, architect's drawing or plans; and
- proof of tenancy (if applicable).

Read more about these below.

## Quotations for items of expenditure

Applicants need to send quotes, references to webpages or catalogue listings that prove they'll get the best value when buying goods and services that they intend to claim for.

This table explains how many quotes, catalogue or webpage references are needed, depending on the value of each item. (These thresholds are based on what the applicant will actually pay – so if they are VAT registered and able to reclaim VAT, it will be the net price of the item; if they have proved that they are not VAT registered and will be claiming irrecoverable VAT as part of the project, it will be the gross cost i.e. net + VAT)

Value of item or service	How to show value for money
£1,500 or less	2 quotes or references to 2 catalogue listings (including online suppliers)
£1,501 to £10,000	3 quotes or references to 3 catalogue listings (including online suppliers)
£10,001 - £50,000	3 quotes or 2 quotes and a reference to a catalogue listing (including online suppliers)
£50,001 or more	3 quotes

## Quotes Requirements

**All catalogue listings, webpages or quotes will be scrutinised to make sure that they are genuine and independent of each other. The submission of fraudulent information is a criminal offence and could result in prosecution.**

All submitted prices, whether catalogue listings, webpages or quotes must come from:

- different suppliers that trade as standalone businesses and are not linked through shared ownership; and
- a business that's independent from the applicant or their business.

They must be:

- for items that are comparable to each other in terms of quality, size, quantity, units and specification;
- from the last 6 months and still valid; and

References to catalogue listings or web pages should be print-outs or photocopies. They should include:

- the date when they were printed or copied;
- the item description and the price;
- the name of the company or catalogue; and
- the page number or webpage address

Quotes must include:

- a detailed and itemised breakdown of costs;
- the supplier's address, telephone number;
- the supplier's company registration number (if they are a limited company).

It is also preferable for quotes from VAT registered suppliers to include the VAT number. If this isn't possible then applicants will be asked to provide the VAT number separately.

Quotes must be

- put together by suppliers within an identified timeframe and follow a detailed and itemised specification provided by the applicant
- made out to the applicant business - online quotes should also be addressed to the business.

The RDPE Programme requires applicants to get the best value for money for any equipment, so applicants will need to give a detailed justification if they haven't used the cheapest quotes. Quotes may be checked against market rates.

The following reasons will not be accepted as sufficient justification for why the applicant has not used the cheapest quote:

- the location of the supplier;
- the fact they have bought from a supplier before; or
- any offers the supplier makes about future service or maintenance of equipment.

If applicants provide fewer than the number of quotes specified in the table above, **they will need to demonstrate that there are no other alternative suppliers available, either domestically or globally** and that the quote selected represents value for money and is fit for the purpose of the project.

## **Financial accounts**

Applicants must send copies of accounts for the business or organisation applying for the grant. These must include all of the following:

- title and introduction pages;
- profit and loss statements;
- balance sheets; and
- any account notes pages.

For applications for grants of less than £35,000, copies of financial accounts are needed for the last 2 years. For applications for grants over £35,000, copies are needed for the last 3 years.

New businesses that don't have accounts covering the 2 or 3 years required must send one of the following:

- draft accounts;
- latest tax returns;
- management accounts; or
- an opening statement from an accountant or business adviser that includes expected income and operating expenses.

Self-employed businesses that don't have accounts covering the 2 or 3 years required must send one of the following:

- draft accounts;
- latest tax returns;
- management accounts;

## **Permissions, consents and licences**

If a project needs specific permissions, consents and licenses for the proposals to go ahead, the applicant must send confirmation that they are in place with their application.

This includes:

- ^pplanning permission – applicants should talk to their local authority to find out if this is needed; and
- environmental consents such as an abstraction licence from the Environment Agency;
- any other permission required for the project.

*^^Note - If the applicant's local authority confirms that full planning permission for a building is not needed, written proof of this should be included with the application.*

## **Proof of tenancy**

If the activity involves investments in immovable assets and the applicant is a tenant, the landlord's written permission to the improvements must be obtained where this is a condition of the tenancy. In addition the applicant must provide written evidence of the tenancy agreement, including the duration of the agreement remaining if it is a fixed term arrangement.

Applicants with oral tenancies should ideally provide written evidence from their landlord confirming that they have security of tenure for at least 5 years. If this is difficult then evidence of rent payments and/or estate correspondence and/or other documentation such as subsidy claims to show that they have occupied the land/premises since before 01/09/1995.

It is the applicant's responsibility not to make any substantial changes to the assets or how they are used, and continue to use them for the purpose described in the application, for at least 5 years after receiving the final payment. In the event that the tenancy agreement ends within the 5 year period and is not renewed on substantially the same terms as the previous agreement, the applicant must contact the LAG as it may be necessary to repay some or all of the grant monies received. This will be explained in more detail, if relevant, when a grant funding agreement is sent out.

For evidence of the tenancy agreement, applicants must send a copy (not original documentation) of the tenancy agreement sections that show:

- the holding address;
- tenant;
- landlord;
- signatures; and
- for fixed term agreements, the tenancy term.

The LAG may request to see a copy of the full tenancy agreement.

## How Full Applications are assessed

The LAG may need to contact the applicant to discuss the application or to ask for more information and may spend more time assessing larger or more complex projects. In all cases the LAG will contact the applicant to provide an estimated timescale for their decision.

Full Applications will be assessed and scored against a range of selection criteria including those set out below.

### **Strategic fit: how the project fits with the priorities for LEADER funding**

The assessment will determine how well and to what extent the project will:

- meet the eligibility criteria;
- deliver against one or more of the LEADER group's priorities set out at the start of this handbook; and
- benefit the rural economy.

### **Need for the project: the problem the project is seeking to address**

The LAG will assess the extent to which the project may displace economic activity undertaken by other businesses. It will also check facts, assertions and evidence relating to this that the applicant provides in support of the application.

The application will need to show:

- there is a need for the project and this has been clearly identified;
- the project outcomes which best address the needs of those the project is seeking to be of benefit to; and
- the impact the project has on other businesses.

### **Financial performance: the viability of the underlying business and the proposed project**

The application will need to show:

- how the delivery of the project may impact the existing business operations (if the application is from an existing business), including the ability to fund the total costs of the project until the grant is reclaimed; and
- how the business will benefit from the project.

**Value for money and the need for public funding: to what extent does the project proposal offer good value for money?**

The application will need to show:

- that competitive quotes have been sought and costs represent value for money;
- the amount of grant required to deliver the outcomes and outputs, for example cost per job;
- that other options have been considered;
- what difference grant aid will make when compared to what would happen without grant aid; and
- that supporting the project won't harm other similar businesses.

**Project Sustainability and Impacts: Economic, Social and Environmental Sustainability and impact of the project**

The application will need to show:

- how the project will continue to benefit people after funding comes to an end. Projects should be sustainable, and not dependent on future public funding; and
- how the project will affect the environment and/or community groups within the area;
- that the project does not disadvantage anybody in terms of ethnicity, disability, age and gender.

**Delivery approach and how the project can be successfully delivered on cost and on time**

The application will need to show:

- that the proposed project manager has the skills and resources to deliver the project successfully;
- that the necessary permissions are in place, for example planning permission; and
- how the project can show how successful it has been.

**Risk: have risks to delivering the project been identified**

The application will need to show:

- that the risks that have been identified are relevant to the size, scale and scope of the project and to the business/organisation in carrying out the project; and
- how these risks will be mitigated.

## **The final decision**

The South Devon Coastal LAG decision-making panel meet every 6-8 weeks. They will decide if a Full Application is successful and if a grant offer can be made.

For an application to be considered at a panel meeting, the completed Full Application will need to be received by the South Devon Coastal LAG by the published deadline for that panel meeting date.

Dates that the panel meet are available on the South Devon Coastal LAG website.

The South Devon Coastal LAG will let applicants know whether or not they have been successful.

## **Unsuccessful applications**

Applicants will receive a letter explaining the reasons why their application was unsuccessful.

Applicants can ask the LAG to review their decision if they think that:

- the decision was based on an error of fact;
- the decision was wrong in law; or
- the LAG made a procedural error.

Applicants must make this request within 60 days of receiving the letter.

Applicants should write to:

The Chairman  
South Devon Coastal LAG  
Okehampton Business Centre  
Higher Stockley Mead  
Okehampton  
EX20 1FJ

## Successful applications

If the Full Application is successful and a project is approved for funding, the LAG will send the applicant a grant funding agreement. It will explain when work can start on the project and the terms and conditions.

If the applicant can meet all the timings and the terms and conditions of the grant funding agreement, they must return a signed copy of the grant funding agreement within 30 working days of the date of issue. If they don't, the funding offer will expire.

The LAG will arrange a meeting or telephone call with each successful project to talk through the grant funding agreement in detail, in particular about how to claim the grant.

### Start date

There will be no payments for any work carried out before the start date.

Applicants must not start work, make any deposits, order or buy anything for a project until they have received a grant funding agreement from the LAG with an official start date. If they don't wait for the official start date, the LAG will withdraw the grant offer.

### Meeting the terms of the grant funding agreement

Applicants must meet the terms set out in their grant funding agreement. If they don't, the LAG may:

- withdraw the grant;
- apply a penalty by deducting payment from a grant; or
- work with the RPA to recover some - or all - of any grant monies already paid.

### How to claim a grant

The LAG will send a claim form to the successful applicant, including instructions about what to do next.

Applicants must fill in the claim form and return it with:

- invoices that match the costs and suppliers stated in the grant funding agreement;
- bank statements or other evidence to confirm that these invoices have been paid in full;
- photographs of the project, activity or equipment;
- a list of all the items (an asset register) they received a grant for; and
- a progress report explaining what they have done so far and any delays.

Any items which an applicant is going to claim a grant for must be installed and operational before a grant claim is submitted for those items.

If submitting multiple claims the payment schedule will be set to ensure that the final payment of grant is at least 15% of the total grant award. This is so that the LAG can make sure the project is completed before paying the final grant.

If a check finds that the value of the costs included in an applicant's claim exceeds the amount that is actually eligible for inclusion in the claim by more than 10%, then unless the applicant can demonstrate that they are not at fault, a 2 stage reduction is applied to calculate the amount that is paid for that claim.

<b>Stage 1</b>	the claim is reduced to the total value found to be eligible
<b>Stage 2</b>	the final amount from stage 1 is further reduced by a figure equal to the difference between the total claimed and the amount found to be eligible.

In practice this results in a reduction to the claim payment of twice the amount that was found to be ineligible. The total amount that can be deducted in this way is capped at the value of the grant awarded.

## Site visits and inspections

A variety of bodies are entitled to inspect projects and project documentation at any time with a minimum of advance notice. Notice will normally be at least 48 hours in advance although in some circumstances it may be less. As well as LAG officers, these bodies include RPA, the National Audit Office, European Commission and European Court of Auditors.

In an inspection, they'll check that projects are meeting or have met all terms, conditions and timings from the grant funding agreement.

Applicants must co-operate fully at any inspection. This is a condition of the funding agreement.

## Publicising the grant

The European Union requires that grants are publicised. The requirements will be set out in the grant agreement letter.

Successful applicants will be required to:

- mention the grant in any press releases, online communications and websites; and
- display a plaque or billboard, depending on the amount of funding received and the type of investment, including EU logos. Projects receiving funding in excess of €50,000

of grant will be required to display a plaque and those receiving in excess of €500,000 will be required to erect a billboard.

Non-compliance with publicity requirements is a breach of the funding agreement and may result in the grant claim being reduced, withdrawn or reclaimed. **Applicants must cover the cost of publicising the grant from their own funds. This cannot be included in claims for grant reimbursement.**

## **Changes during the grant period**

The applicant is expected to use the grant money to buy items as specified in the application and grant funding agreement. During the grant period, exceptional circumstances may arise where applicants need to change elements of a project. They must inform the LAG in writing immediately and where appropriate seek a contract variation, which should be agreed before any changes are made.

Applicants must inform the LAG about any changes to a project, for example:

- changes to use of buildings, equipment or any other assets bought with the grant;
- disposing of or selling any of the assets;
- closing, selling or transferring the business that's associated with the grant.

This applies during the project and for five years after the payment of the final claim. Agreement to an amendment is not automatic and if the applicant goes ahead with a change that the LAG does not agree to, there may be an obligation to repay the grant or the LAG may withhold part or the entire remaining grant.