



Rural Payments
Agency



Rural Development Programme for England (2014 - 2020)

LEADER APPLICANT HANDBOOK

Guidance for applicants applying to the Coastal Action Zone (CAZ) Local Action Group (LAG)

Contact details: Coastal Action Zone Local Action Group

E-mail: coastalrde@lincolnshire.gov.uk

Tel: 01507 354561

Web: www.lincolnshire.gov.uk/coastalactionzone

Lincolnshire LEADER Team, Lincolnshire County Council

Unit 4 Witham Park House,

Waterside South, Lincoln.

LN5 7JN.

Tel: 01522 550642



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



A word from the Coastal Action Zone Chair

The Coastal Action Zone Local Action Group, supported by Lincolnshire County Council, has been successful in securing £1.5 million of LEADER funding to invest in East Lincolnshire. Over the next 5 years (2015-2020) we will distribute grants to local businesses, farmers and community organisations to support activities that generate jobs and growth in our rural economy.

Our vision for the Coastal Action Zone is:

"Creating a coastal area that uses enterprise and innovation to make the most of resources and opportunities to create growth in a sustainable manner. An area where businesses, communities, the environment and visitors are respected and valued equally".

We are seeking applications that will help us to achieve this vision.

Coastal Action Zone LAG Local Priorities

We have developed a Local Development Strategy that sets out how we will invest LEADER funding to improve our rural economy and quality of life. (You can download a summary of the strategy at www.lincolnshire.gov.uk/coastalactionzone).

Our priorities for allocating LEADER reflect the issues identified in our Local Development Strategy as the most pressing for the area and the opportunities identified as having the greatest potential to create economic growth. To be successful, funding applications must contribute to one or more of the LAG's priorities and one or more of the national LEADER priorities set out on Pages 8 to 32.

Priority 1: Broaden & Strengthen the Coastal Economy

Encourage entrepreneurship across all ages and business activity by investments in; business start-up aid for innovative, niche, growth and emerging sector activity.

Invest in projects that use innovation to increase business productivity, efficiency & sustainability; activity could include support for small scale infrastructure works, equipment and new technology.

Exploit market opportunities: investing in new and innovative business activity within priority and emerging growth sectors. Business development which will use innovation and digital technology to exploit market opportunities, provide rural services, develop the creative industries, local food offer & supply chain.

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Create new and improve existing business and work facilities in rural settlements: Investments in storage facilities, manufacturing equipment, restructuring of facilities, digital technology, creating specialised small scale business workspace, complimenting and meeting demands for the start-up, micro and small business sector.

Support innovative farm diversification activity to improve viability and utilise existing farm resources e.g. visitor attractions based on the cultural and natural landscape, niche, specialist type work spaces, rural service provision

Increase farm productivity to improve efficiency, viability and sustainability; Investments to Increase resource efficiency, improve animal welfare and the take up of new technology, Modernisation and development of supply chains and added value

Support the sustainability of the area's forestry sector: Equipment to utilise new technology, improve processing, mobilising and marketing of products. Use co-operation activity to support this development

Priority 2 Increase Coastal Connectivity

Increase the use of new technology to improve connectivity; Village destination marketing and digital promotion to inform and promote sites of interest and services. Collaborative e-marketing projects to strengthen local supply chains and promote the area.

Improve the area's Green Infrastructure: Investments in new access routes and linking up existing ones across the coastal area. Improving signage, interpretation & small scale infrastructure to help increase use of cycle ways & paths

Develop rural services where need is demonstrated through community plans or consultation: Collaborative projects which benefit the whole community e.g. developing the multi-use of facilities and support the development of community plans towards improving sustainability

Priority 3 Diversify & Enhance the Coastal Area

Increase the use of the area's natural and built heritage assets: Investments in projects that will promote, protect and enhance these underused and little known assets: e.g. waterways, railways, military heritage and historic sites. Restore and enhance landscape and wildlife habitats e.g. Coastal Country Park and Coastal Grazing Marshes.

Develop specialist and niche visitor offers: Innovative collaborative activity to promote and market movement around the area and increase length of visitor stay; e.g. linking accommodation with restaurant, cafes, sites of interest & activity

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Improve and enhance the visitor infrastructure through investments; Creating and enhancing visitor facilities including covered facilities and infrastructure and services relating to culture, heritage and the environment. Use of digital technology and online booking facilities.

Develop new facilities for communities and visitors: Investments in innovative quality self-catering or serviced accommodation, shops, catering services, restaurants and cafes

Improve the area's market towns and villages cultural and heritage assets: Investments to enhance, restore or upgrade village culture & heritage, Conservation of small scale built heritage, Innovative activities linked to cultural activity, enhancements of cultural & community activities including venues providing cultural & heritage activity LAG-specific content that each LAG will want to tailor to be appropriate to their local area – e.g. size of local budget, the local priorities that the LAG wishes to emphasise and a map to show the geography covered by each LAG.

Cross Cutting Themes:-

- Encourage & embed integration of sustainable principles & practices into daily life & business activity
- Increase integration of flood risk mitigation actions
- Encourage activity to mitigate climate change impact

The LAG Area Map



You can check to see if your location for your project is in the area by using the postcode checker on the website: www.lincolnshire.gov.uk/coastalactionzone.

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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;

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- 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 will typically be up to £40,000 but higher grants are available in exceptional circumstances where significant outcomes will be generated.

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.

Projects under the farm productivity or forestry productivity priorities could receive a higher grant rate in Cornwall than in the rest of England because Cornwall is classed as a Less Developed Region.

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 £2500.

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 Coastal Action Zone 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 Coastal Action Group Area at the front of this handbook. If it is unclear if your location is covered further details can be found at www.lincolnshire.gov.uk/coastalactionzone.

You could apply for more than one grant from the Coastal Action Zone 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.

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.

Applicants should use the table to check which category they are in.

Number of FTE employees	Turnover or balance sheet Total	Business category
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

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. 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 minimus 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 Coastal Action Zone 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 the Coastal Action Zone LAG (contact details on the front cover) 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 Coastal Action Zone LAG's strategy.

The types of project that the Coastal Action Zone 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 8 to 32 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 Coastal Action Zone 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;

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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 Coastal Action Zone LAG (Contact details on the front cover).

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 4 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;

1c) the processing, marketing and/or development of agricultural products; or

1d) an investment in reservoirs and irrigation systems

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. Average grants will typically be within the range of £2,500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

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*

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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 6 and 7 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
excavation and earth moving equipment	general purpose buildings including storage sheds for inputs, hay, fodder
flat bed trailers	workshops and sheds for maintenance 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
crop harvesting equipment including potato , sugar beet, vegetable and salad crop harvesting	balers; conventional, round and square
cultivator	flat bed trailers
subsoiler	backhoe loader
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	Stand alone GPS systems which cannot be linked to either slurry and manure application systems or application rate monitors to aid precision farming.
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.
<u>Dairy sector</u>	
new livestock buildings or structural improvements to old buildings	milk pumps
bulk milk tank	milk jars

milking parlour	automatic cluster removers
livestock feed preparation and rationing equipment including feed mixer wagons, mill, pelleters, mixers and complete diet feeders	in parlour recording and monitoring.
<u>Livestock</u>	
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	
<u>Horticulture</u>	
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%. Average grants will typically be within the range of £2,500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

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 3)
- 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 pages 6 and 7 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

Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

If the project involves processing, the grant rate 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.

Raw materials in	Product out		Amount that can be applied for
Annex 1 product	Annex 1 product		up to 40%.
Annex 1 product	Not an Annex 1 product	Processing on farm	<ul style="list-style-type: none"> • Where grant amount is less than €200,000 then max grant rate is 40%*. • Where grant amount is more than €200,000 then max grant rate is 20%
		Processing takes place OFF an agricultural holding	<ul style="list-style-type: none"> • Where grant amount is less than €200,000 then max grant rate is 40%*. • Where grant amount is more than €200,000 then max grant rate is 10%.

* [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 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

The list of costs which can't be claimed is on pages 6 and 7.

d) Investments in reservoirs and irrigation

The aim of this priority is to improve the management of water resources on farm through investments in reservoirs or improved irrigation.

Who can apply

- Farmers
 - Groups of Farmers
- Horticultural producers

Grant Limits

The maximum grant rate is capped at 40%. Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

Special Conditions

Any projects receiving RDPE funding under this priority can only be funded if the following specific conditions are met:

- If the investment is one of the following:
 - ‘in an existing installation which affects only energy efficiency’
 - ‘an investment in the creation of a reservoir which does not affect a body of ground or surface water’ (i.e. there will be no increase in water use or irrigated area)
 - ‘an investment in the use of recycled water which does not affect a body of ground or surface water’
- If the investment results in an increase in water usage, then it is only eligible if both the following apply:
 - ‘The status of the water body has not been identified as less than good in the relevant river basin management plan *for reasons related to water quantity*’ Para 5(a). This is referred to as the ‘Reasons for Not Achieving Good’ water body status (RNAG) in the relevant River Basin Management Plan (RBMP).
 - ‘An environmental analysis shows that there will be no significant negative environmental impact from the investment’ Para 5(b) of Article 46 of Rural [Development Regulation 1305/2013](#))

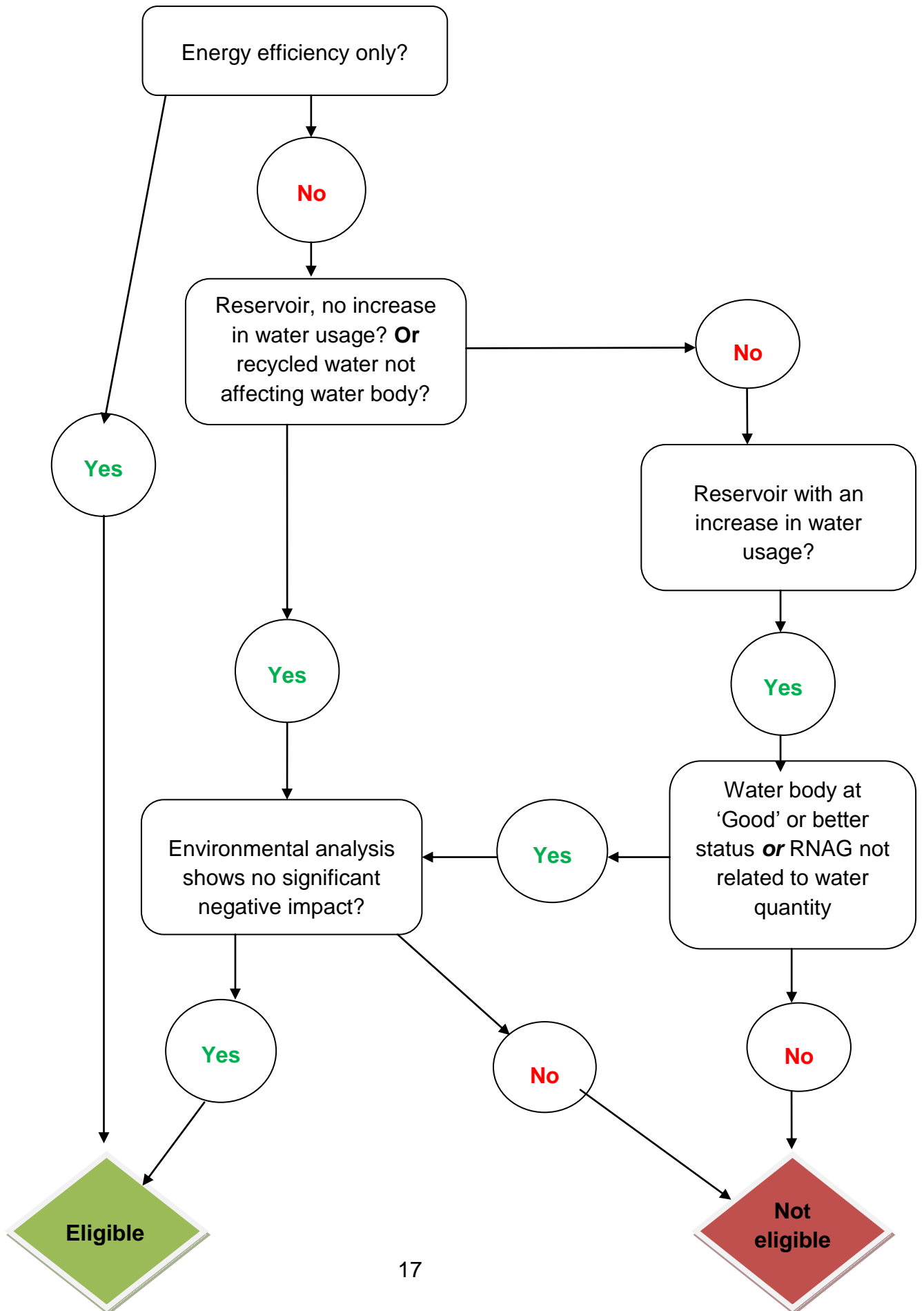
The Environment Agency manages most of the RBMPs in England, and holds the water body status data. Contact the environment agency to find out what the status of the water body relevant to your project is.

What is Eligible?

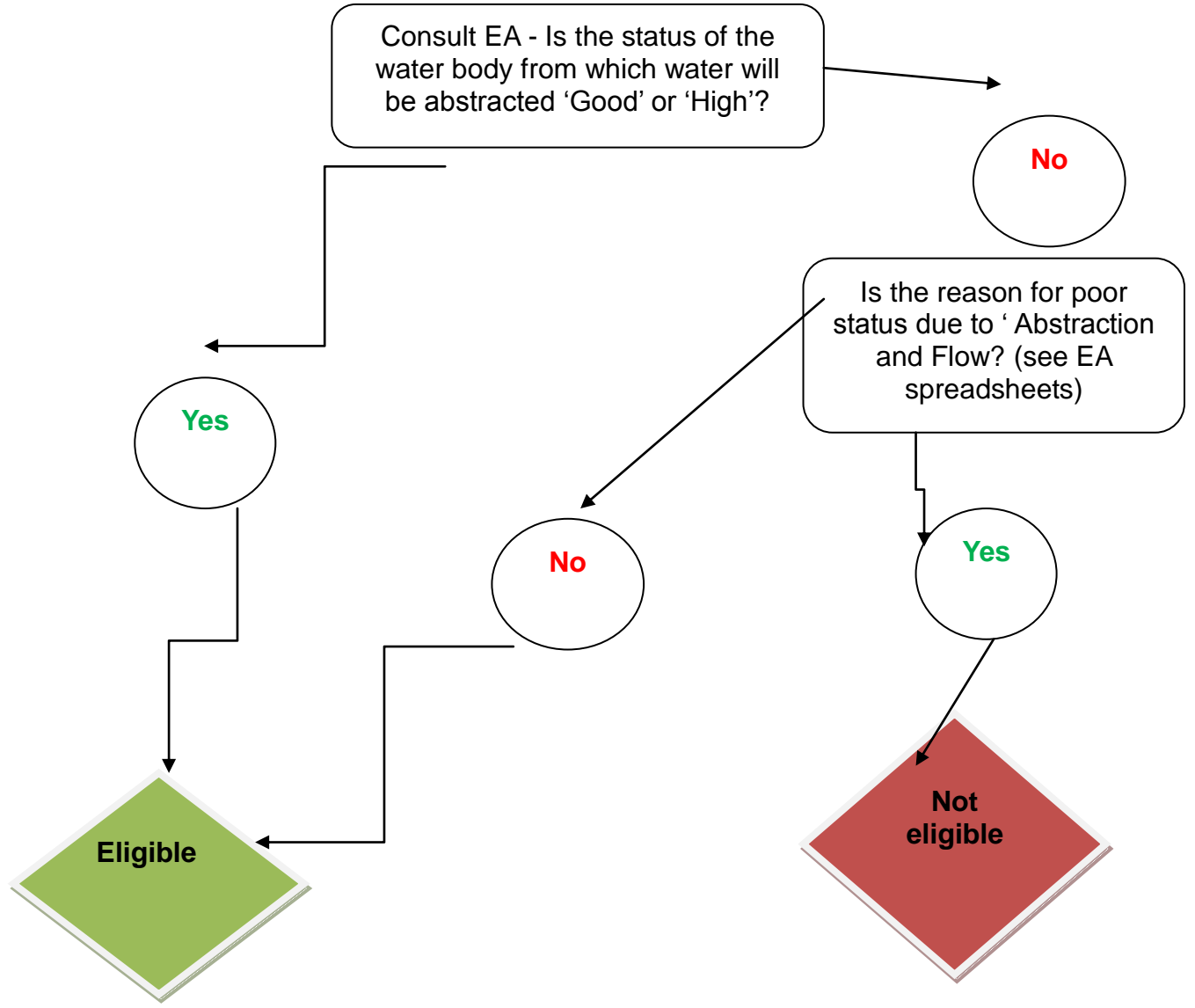
- Investments to improve the efficiency of water management and irrigation, such as
 - Reservoirs filled by peak flow abstraction or by groundwater abstraction e.g. borehole)
 - Earthworks
 - Filling pipe
 - Overflow / spillway
 - Liner (if synthetic liner needed)
 - Irrigation pump (typically on a floating pontoon to rise and fall as reservoir empties / fills)
 - Professional supervision of construction
 - Boreholes
 - Boom irrigator (excluding hose reel which is standard agricultural equipment)
 - Trickle irrigation tapes / system
 - Soil moisture probes
 - Software to control / optimise water application
 - Underground water distribution pipeline, including hydrants
 - Pumps (if 'bolted down' as part of infrastructure), controls including automatic leak detection, variable rate pumps, auto shut off, remote start / stop. Water meters
 - Pump house
 - Fencing around synthetically lined reservoir

Flow chart

The flow charts on the following pages enable eligibility to be determined.



If the investment leads to an increase in the water usage then use the following flowchart to determine eligibility.



What isn't eligible?

- Costs of meeting legislative requirements – e.g. obtaining planning consent, archaeological investigations, panel engineer, flood risk mapping
- Costs of obtaining abstraction licence
- Hose reel
- Rain gun
- Landscaping – unless it is part of 'making good' in which case, only the landscaping contractor's fees would be eligible excluding the costs of plants, seeds, turf or trees
- Jetty, fishing stage

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

Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

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.

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 6 and 7, 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

Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

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;
- developing quality accommodation where there are clearly defined wider benefits to the local tourism economy and where activities do not displace existing accommodation;
- 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 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;
- 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);

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- 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 6 and 7 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

Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

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 6 and 7 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;

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- 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

Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

If the grant amount is less than €200,000 then the grant rate can be up to 100% and is awarded under de minimis state aid rules.*

If the grant amount is more than €200,000 then grant rate is limited to 80%. 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 6 and 7 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

Average grants will typically be within the range of £2500 and £40,000. Higher grant amounts will be offered in exceptional circumstances where significant outcomes will be generated.

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

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;	

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	
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 6 and 7 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 10,000m³.
- hand tools (including chain saws, strimmers and brush cutters) and consumables;

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- 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 must download the Outline Application form and Guidance Notes from the Coastal Action Zone LAG website at www.lincolnshire.gov.uk/coastalactionzone or, contact the LAG for a copy 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 5 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 download the Outline Application Guidance Notes from the Coastal Action Zone website at www.lincolnshire.gov.uk/coastalactionzone or contact the LAG for a copy using the details on the front cover of this Handbook.

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 within 4 months. (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 with a 4 month deadline for when it needs to be submitted 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 5 working days. The Coastal Action Zone 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 send the following with their Full Application form:

- 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, including Planning Approval, 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;

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- 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:

- [^]planning permission – applicants should talk to their local authority to find out if this is needed; and

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- 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:

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- 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 Coastal Action Zone decision-making panel meet at least every 3 months and more frequently when required. 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 Coastal Action Zone LAG at least 8 weeks before the panel meeting date.

Dates that the panel meet will be made available on the Coastal Action Zone LAG website.

The Coastal Action Zone 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.

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

Applicants should write to:

Lincolnshire LEADER Team
Lincolnshire County Council,
Unit 4 Witham Park House,
Waterside South, Lincoln.
LN5 7JN.

Tel: 01522 550642

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;

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- 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.

Stage 1	the claim is reduced to the total value found to be eligible
Stage 2	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.

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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.

Guide to Completing the Outline Application Form

This document will be issued as a separate document in the Coastal Action Zone. Please contact the Coastal Action Zone LAG at: coastalrdpe@lincolnshire.gov.uk.