

RURAL DEVELOPMENT PROGRAMME FOR ENGLAND - OVERVIEW

Finally, the Rural Development Programme for England (RDPE) has been approved by Brussels and can now be implemented by the Regional Development Agencies (RDAs). This new programme replaces the old England Rural Development Programme (ERDP) and will run for the period 2007-2013.

There are four Axes for delivery of the programme and the total amount available over the period is £3.5 billion; the percentage funding is shown in brackets:

- Axis 1 – improving the competitiveness of farming and forestry (8.6%-£301m)
- Axis 2 – improving the environment and countryside (80.6%-£2.8bn)
- Axis 3 – rural quality of life and diversification of the rural economy (6.4%-£224m)
- Axis 4 – community led ‘Leader’ approach (4.4%-£147m)

Axes 1 and 3

The objectives of Axes 1 and 3 have a similar feel to the old ERDP scheme based grants. However, their delivery will be somewhat different. They are programmes for funding under which grant funding can be applied for, without the specific schemes (RES, VTS, etc).

It is clear from Defra guidance that the implementation will aim to optimise the efficiency of investment from the tax payer’s point of view. Reading between the lines, expect the RDAs to prefer groups of businesses in the area that meet more than one regional goal.

In general, projects will need to be on a macro community scale rather than the micro individual business scale we have been used to. This will require a little more thought as to the best way to achieve grant funding for a project and the objectives of initiatives may require tailoring. Big budgets may well attract the larger organisations to spearhead initiatives, i.e. NFU, TFA, etc. Funding could be sourced to assist with the farm crisis network or the clear-up post FMD and Bird Flu. This sort of approach will mean that individual farmers still benefit from the funds, but the tax payer receives value for money as it only requires one application.

The individual rural entrepreneur is still eligible to apply for grant funding under the programme as long as their proposal meets the eligibility criteria set out in the Regional Implementation Plans. These documents are still to be finalised but are available in draft form. Any individual application will be subject to stiff competition and should ideally include benefits to the wider community and not just the farm business.

Helpful introductions to the management of the grant process are project facilitators to whom expression of interest forms can be submitted. They will then provide applicants with guidance on eligibility and fit before extensive funding application costs are incurred. Expression of interest forms are relatively complicated to fill out and require some detail as to the working of the project, but will save a significant potential cost of submitting a full application for grant to then be rejected.

Axis 2

Axis 2 is by far the greatest and most familiar fund for producers and will continue to be delivered via the Environmental Stewardship Schemes (ELS and HLS) already in practice. Funding will now be made available for grants under the Higher Level Scheme, whilst the Entry Level Scheme will continue to attract producers as a ‘broad and shallow’ scheme now made slightly more complicated by the removal of management plans from the points requirement.

Axis 4

Axis 4 is to be funded via the Leader approach, which invites local communities and interested parties to identify local issues to be addressed using RDPE funds. These groups would then be required to form a ‘Local Action Group’ to prepare and deliver a ‘Local Development Strategy’ to resolve the identified issues. Local Action Groups need to submit competitive bids to the RDAs for formal status and the right to receive funding.

Summary of measures to be implemented in the UK

AXIS 1 – Competitiveness	AXIS 3 – Rural Economy
Vocational training	Diversification into non-agricultural activities
Use of advisory services for woodland	Development of micro enterprises
Set-up of woodland relief advisory services	Tourism and activities
Modernisation to agricultural holdings	Provision of basic rural facilities
Improving economic value of forests	Rural heritage conservation
Adding value to agriculture and forestry	Training and information
Cooperation for development technology	Implementing local development strategy
Water and woodland infrastructure	

With over £1.5m of diversification grants obtained on behalf of clients under the previous Rural Development Plan, Samuel Rose is highly experienced in all matters relating to business diversification including:

- conception and screening of the initial idea
- agreeing objectives and strategy within a family
- obtaining planning permission
- financial appraisal, business plans and tax planning
- setting up joint ventures
- grant and bank funding applications
- project implementation

If you have a project idea that you would like to discuss, and wish to consider the overall project strategy in addition to the specific grant funding that may be available, then please contact Guy Banham or William Tongue in confidence on 01604 782727 or 782719.

HOW THE RDPE WILL FUNCTION IN YOUR AREA

Grants are available to businesses in all regions from two sources: application directly to the Regional Development Agency (RDA) or to smaller sub-regional bodies known as Leader groups. Each RDA is implementing the grant process in slightly different ways; the headlines of their approaches are set out below. In all cases, to decide which approach is correct, a project should be compared to the RDPE prospectuses published by each RDA.

EAST MIDLAND DEVELOPMENT AGENCY (EMDA)

PRIORITIES

Diversification, renewable energy, added value, co-operation and collaboration, forestry, water management and training.

DIRECT APPLICATION

Initial phase – Written expression of interest consisting of relatively simple form laying out brief outline of the project, likely costs and returns, etc. This is then considered within 15 working days before being rejected or invited to make a full application.

Full application – EMDA is not stipulating the details of a full application at this time, but it is reasonable to assume that business plans, detailed project plans, planning permissions, accurate project costings and detailed financial plans will be required.

Grant available – £25,000-£250,000 of grant funding from 25%-50% of project costs, depending on project requirements and cost eligibility.

Professional fees – Application preparation ineligible for grant funding. Potential for professional fees for the delivery of training to be eligible.

LEADER APPROACH

Target is to publish group information by the end of February. Groups will be mini delivery agencies in their own right with ability to fund projects at their discretion on a smaller scale.

Suitable individual projects are thought to be those that involve rural heritage or micro enterprises.



EAST OF ENGLAND DEVELOPMENT AGENCY (EEDA)

PRIORITIES

Diversification, resource protection, conservation and rural heritage, access and recreation, and rural community.

DIRECT APPLICATION

Initial phase – Projects should be discussed directly with the EEDA project facilitators. They will give a reasoned basis for either rejection of a project or invitation for a full application. Preferred projects will involve collaboration; projects benefiting sole individuals will be unlikely to receive grant aid.

Full application – Full applications will not be in a prescribed form but an individual business case submission. This will need to include full business plans, costs, returns, planning permissions, etc. EEDA intends to have a hands-on approach advising on the preparation of an application.

Grant available – No minimum or maximum grant levels are specified although any projects that require over £100,000 of grant funding should be submitted as a direct application.

Professional fees – eligible professional fees will attract 10% grant assistance. EEDA has not yet fully defined 'eligible', nor has it been put to the test.

LEADER APPROACH

Groups are published, but have not been finalised. Each group will have their own goals specific to the region they represent. It has been advised that the minimum grant amount will be £10,000.

The Leader groups will be encouraged to be proactive with their grant funding, therefore speaking with local groups at this stage will be important so that projects are brought to their attention early.



SOUTH EAST ENGLAND DEVELOPMENT AGENCY (SEEDA)

PRIORITIES

Training, renewable energy, forestry, adding value, water management, diversification, tourism, collaboration and business development.

DIRECT APPLICATION

Initial phase – Written expression of interest consisting of a relatively simple form giving a brief outline of the project, likely costs and returns, etc. This will then be considered within SEEDA before being rejected or invited to make a full application.

Full application – The requirements for the full application will be similar to the old RES style applications. On the whole SEEDA is looking for collaborative projects to fund. However, particularly special or groundbreaking individual projects will be considered, including those that involve renewable energy.

Grant available – Minimum of £50,000, no maximum set. Any project requiring less than £50,000 should be directed through Leader groups.

Professional fees – eligible professional fees will attract 10% grant assistance. SEEDA has not yet fully defined 'eligible', nor has it been put to the test.

LEADER APPROACH

Target is to have groups finalised by May. All applications will be made directly to those groups. Groups will have individual area specific goals and targets.

Applications made to Leader groups will be preceded by expression of interest forms. These are not yet published but it is fair to suggest they will be similar to expressions of interest for the direct applications.



These guidelines are still being adapted and changed and it is likely that, as the meat is put on the bones, some of the detail may alter. However, a key theme is that it is very important to introduce a project to the development agencies sooner rather than later to ensure the best possibility of obtaining grant funding.