

Rural Business Investment

Delivering Economic Growth

The Rural Business Investment Scheme is designed to support the development of a strong and diverse rural economy, investing in new business development and the expansion of existing enterprises to create a balanced and forward looking rural economy.

The primary objective of the scheme is to create jobs.

The scheme is designed to boost enterprise development and business growth across rural Fermanagh and Omagh through expansion of productivity or diversifying into new markets or products.

At a Glance

TOTAL AREA INVESTMENT: **£3 MILLION**

INCLUDES £100K MARKETING & TECHNICAL ASSISTANCE (MIN Grant £500). For Information Websites, Marketing Support, Technical Support and Bespoke Training the MAX Grant available is £5,000. For Web based marketing support with provision for e-trading the MAX Grant available is £10,000.

ESTIMATED NUMBER OF PROJECTS TO BE SUPPORTED: **100**

ANTICIPATED CALLS: **6**

PROJECT CALLS WILL BE AVAILABLE UNDER THE FOLLOWING THEMES:-

Theme 1 - RURAL BUSINESS: GROWTH (Support for Traditional industries - Priority sectors Manufacturing, Engineering, Construction & related services)

Theme 2 - RURAL BUSINESS: INNOVATION** (Priority sectors – IT, Creative Industries, Specialist Health and wellbeing & service provision)

Theme 3 - RURAL BUSINESS: TOURISM** (Activity Based; Tourism and Craft production*; Accommodation 'enhancements' & supporting infrastructure)

Grants for **Theme 1 only** are available at a maximum grant rate of 50% (minimum £5,000) up to:

Activity	Min Grant	Max Grant	Level of support
New micro business Capital Grant	£5,000	£30,000	Up to 50% for the private sector and social economy enterprises
Existing micro enterprise Capital Grant	£5,000	£50,000	Up to 50% for the private sector and social economy enterprises.
Existing Small Enterprise Capital Grant	£5,000	£90,000	Up to 50% for the private sector and social economy enterprises.

*Agri- food projects are not included due to alternative funding source.

** Grants for Themes 2 and 3 are available at a maximum grant rate of 50% (minimum £5,000) up to a maximum grant of £30,000. These Themes and grant rates may be subject to change following a forthcoming review by Fermanagh and Omagh LAG.

The LAG would particularly welcome applications for the above Schemes from Young People (aged 18-39 years) and for projects involving E-Commerce

Who Can Apply

The scheme is open to rural

- Individuals
- Micro (less than 10 employees) and small enterprises (less than 50 employees)
- New and existing businesses
- Farmers (for farm diversification)
- Social enterprises

Objective

The objective of the scheme is:

- To encourage the development of a resilient and more diverse local economy focusing on rural business innovation and growth.

What's on offer

The scheme will provide **capital funding** in support of **job creation** for projects identified as part of a **business plan**.

Projects must fit within one of the following themes and target one of the priority sectors:-

1. Rural Business: Growth

- Priority sectors manufacturing, engineering and construction

2. Rural Business: Innovation

- Priority Sectors IT, creative industries, specialist health and wellbeing

3. Rural Business: Tourism

- Priority sectors activity based, craft production, accommodation 'enhancements' and supporting infrastructure

Funding can contribute towards technical assistance costs where these relate directly to the capital project being supported (such costs should not constitute more than 10% of the total project cost).

Please note: The funds available are limited and applications will be subject to a competitive process.

Mandatory Requirements

All Applicants are required to attend a mandatory funding workshop prior to submitting an application and will be required to provide the following at time of application:

- Detailed Business Plan (on required template)
- Quotations
- Evidence of match funding
- Evidence of all statutory approvals including Planning Permission and Building Control or evidence that these are not required.

Match Funding

This scheme is part funded from EU sources therefore projects assisted **cannot** be matched from any other EU source. Evidence of match funding must be provided as part of the application process.

Service Provision

This Scheme is designed to target the creation of new jobs in rural areas within the context of targeting growth businesses that can grow, create wealth and generate a net gain for the NI economy. This means that new 'service' type businesses should be very innovative. The innovative business should be addressing a wider need than that of a localised community/LAG area therefore only service type projects which are innovative on an NI basis can be funded. If the business is a local business supplying a local market eg accountant, solicitor, vets, restaurant, coffee shop etc then unless it has something which is unique/innovative at a NI level it cannot be funded.

Indicative Actions

- a) The construction, or improvement of immovable property;
- b) The enhancement (**not including additional bed space**) of existing bed and breakfast, self-catering accommodation with less than 10 rooms, hostels with less than 10 rooms, guest house accommodation with less than 10 rooms;
- c) Construction or development of caravan sites, campsites, pod sites or bunkhouse accommodation. Bunkhouse accommodation must meet Tourism NI criteria for a Bunkhouse and a DAERA requirement that the Bunkhouse accommodation must be suitable for groups of 10 or more visitors;
- d) The purchase of new machinery and equipment, up to the market value of the asset;
- e) The processing of agricultural products (known as Annex 1 products) that lead to an output that is not for human or animal consumption;
- f) Manufacturing/processing of items or products from wood/timber (see ineligible items (v) in respect of energy production and wood fuel);
- g) General costs linked to the expenditure such as architects, engineers and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, the acquisition of patent rights and licences, up to a total maximum of 10% of the eligible project grant amount. Feasibility studies are eligible expenditure even if there is no expenditure under points (a) and (b) as long as the activity was capable of being supported;
- h) Intangible investments such as acquisition or development of computer software and acquisitions of copyrights, trademarks;
- i) Marketing element which would include website development and information leaflets/ brochures, trade show space rental. Any applicant wishing to apply for the higher level of grant aid (up to £10,000) under website development **MUST** be implementing a fully functional e-commerce site;
- j) Bespoke training enrolment fees i.e. any training not currently provided by a statutory body such as colleges, Invest Northern Ireland, Local Enterprise Agencies or other council funded scheme. To be eligible for grant aid, the claim for payment must be supported by a certificate confirming completion of the course;
- k) The purchase of second-hand equipment by micro or small sized enterprises will only be eligible in circumstances where:
 - It is identified at time of application.
 - The equipment has not been grant aided in the previous 7 years.
 - The second-hand equipment is fit for the proposed project activity.
 - The equipment is in good quality and with enough working life to be able to meet the 5 year asset durability test.
 - It represents a sufficient advantage in terms of value for money when compared with new equipment.
 - Where a project promoter disputes a market value assessed by the above method, they may obtain, at their own expense, an independent valuation from a competent engineer or plant auctioneer. In such cases the LAG must decide which market valuation should apply.

In all cases the wider business development proposal will be assessed for job creation. The purchase of equipment or undertaking of building works in itself will not constitute a project.

Important

Costs that are not eligible for support under LEADER include the following:

- a) Costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges or anything deemed to be a running cost;
- b) Investments which are considered by the LAG to have an unacceptable negative effect on the environment (or proposed investment fails to meet environmental regulations);
- c) The purchase of buildings and/or land, including through leasing of property as part of a project;
- d) Replacement investments i.e. new for old/like for like and maintenance costs for existing buildings, plant or equipment, including kitchens in existing buildings;
- e) Investments in new build bed and breakfast, self-catering accommodation, hotel accommodation, guest houses or hostels or additional bed space in existing ones;
- f) Investment in single sporting infrastructure projects;
- g) Lease-purchase/hire purchase of new machinery and equipment;
- h) Purchase and installation of renewable energy technologies;
- i) The purchase of cars, vans, motorcycles, bicycles, light aircraft and any other form of transport used to transport people for whatever purpose;
- j) The purchase of vehicles for transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport or move goods or people). A Vehicle is something used as an instrument of conveyance. It can include any conveyance used for transporting passengers or things by land, water, or air.
- k) Tractors and Agricultural machinery;
- l) Expenditure incurred or work commenced/goods purchased before the letter of offer project start date or after the letter of offer project end date;
- m) Payments for gifts and donations or personal entertainments (including alcohol);
- n) Training i.e. any training currently provided by a statutory body such as colleges, Invest Northern Ireland, Local Enterprise Agencies or other council funded scheme;
- o) Reprinting of marketing materials;
- p) Travel and/or accommodation associated with attendance at bespoke training or trade shows;
- q) Reprinting of marketing materials or costs associated with internet ads, pop-up ads or search engine optimisation (SEO);
- r) No aspect of an activity being funded should be party political in intention, use or presentation, or likely to be perceived as discriminatory on grounds of religion, colour, race, gender or disability;
- s) Statutory fines and penalties, criminal fines and damages;
- t) Legal expenses in respect of litigation;
- u) Any cost associated with meeting a legislative or statutory requirement for the business;
- v) Reclaimable VAT;
- w) Improvement/refurbishment/installation of all assets associated with a residential property, including attics, garages, extensions and gardens;
- x) Feasibility studies for renewable energy;
- y) Costs associated with agricultural products (known as Annex 1 products) where the output is for human or animal consumption, i.e., anything associated with food storage, preparation and processing; or is a wood processed product for energy production or wood fuelled heating systems;
- z) Any form of retail business.