

# RURAL BUSINESS INVESTMENT SCHEME



Rural Development Programme 2014-2020

## Summary

This scheme will provide investment support for the creation and development of micro and small enterprises in rural areas, including farm diversification and private tourism businesses.

Support is primarily targeted at rural areas. With the exception of Greenisland, towns with a population of more than 5,000 are excluded. The funding will provide capital grants, with some resource funds towards bespoke training and marketing. Support is provided for capital investments in the creation and development of non agricultural activities, in rural areas, for micro and small enterprises i.e. an activity which is new for an existing enterprise, or an expansion of an existing activity leading to job creation, or a new business start-up.

The primary objective is to create new jobs. Those projects which create new jobs will receive higher marks at assessment stage. Applicants must submit a Business Plan to support their application.

Applicants must have full planning permission and evidence of the required match funding in place at time of applying. Applicants must also have robust procurement for the items for which they seek funding—please contact the office (02825633368 or 02825633266) for guidance.

The following is a list of the types of activity which might be supported (list is not exhaustive):

- Rural tourism activities, including some types of rural accommodation, tourism service provision.
- Craft unit in front of a production unit, construction, re-construction or establishment of workshops, factories, plants, premises and facilities for various activities such as repair of machinery, production and/or processing of non-agricultural goods and materials, plastics, refuse disposal, sanitation and similar activities.
- Processing and marketing of some agricultural products (as Annex 1), where the output is non-food, not fit for animal consumption or not a processed wood product.
- Social service provision including construction, reconstruction and/or modernisation of premises and area for carrying out the activities e.g. childcare, eldercare, healthcare, care for disabled people, and educational farms etc.
- Development of crafts and handicraft activities.
- Investments in leisure, recreational and sport activities developed by private businesses or social economy enterprise as an economic activity. Any projects relating to sport must fit with the **Department of Culture, Arts and Leisure's (DCAL's) Investment Strategy on Sport.**
- IT activities, e-commerce, and online warehouse etc.

You must attend a pre-application workshop before you can apply

### Type of Support

Support will be provided through grant-aid.

No advance payments will be available.

Only one application per business (which includes linked businesses) per call, will be accepted.

- Provision of services e.g. architectural and engineering activities, accounting, book-keeping and auditing services, technical services, and industrial cleaning etc.
- Marketing, including website development and information leaflets / brochures.
- Bespoke training i.e. defined as any training not currently provided by a statutory body such as Colleges, Invest Northern Ireland, Local Enterprise Agencies or other Council-funded Schemes.

## What type of Projects are Eligible for Funding?

### Eligible Costs - Can be supported (list is not exhaustive):

- The construction, or improvement of immovable property.
- The enhancement (not including additional bed space) of existing bed and breakfasts, self-catering accommodation (with less than 10 rooms), hostels (with less than 10 rooms), and guest house accommodation (with less than 10 rooms).
- Construction or development of caravan sites, campsites, pod sites or bunkhouse accommodation (must be suitable for groups of 10 or more visitors).
- The purchase of new machinery and equipment.
- The processing of agricultural products (known as Annex 1 products) that lead to an output that is not for human or animal consumption or not a wood processed product.
- Costs linked to the expenditure such as architects, engineers and consultation fees, including feasibility studies, the acquisition of patent rights and licenses, up to maximum of 10% of the eligible project grant amount.
- Intangible investments, such as the acquisition or development of computer software, and acquisitions of copyrights and trademarks.
- Marketing, which would include website development and information leaflets / brochures.
- Bespoke Training i.e. any training not currently provided by a statutory body such as Colleges, Invest Northern Ireland, Local enterprise Agencies or other Council-funded Schemes.
- 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. It 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.

## Ineligible Costs - Cannot be supported (list is not exhaustive):

- **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.**
- Investments which are considered by the Mid and East Antrim Local Action Group to have an unacceptable negative effect on the environment (investment fails to meet environmental regulations).
- The purchase of land, including through leasing of property as part of a project.
- Replacement investments i.e. like for like and maintenance costs.
- Investments in new-build bed and breakfast, self-catering accommodation, hotel accommodation, guest houses or hostels or additional bed space in existing ones.
- Lease-purchase / hire purchase of new machinery and equipment.
- Purchase and installation of renewable energy technologies.
- The purchase of cars, vans, motorcycles, bicycles and any other form of personal transport.
- The purchase of vehicles for transportation.
- Tractors and agricultural machinery.
- Expenditure incurred or work commenced/goods purchased before the Letter of Offer Project Start Date, or after the Letter of Offer Project End Date.
- Payments for gifts and donations or personal entertainments, including alcohol.
- Training i.e. any training currently provided by a statutory body such as Colleges, Invest Northern Ireland, Local Enterprise Agencies etc.
- Reprinting of marketing materials.
- 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.
- Statutory fines and penalties, criminal fines and damages.
- Legal expenses in respect of litigation.
- Cost associated with meeting a legislative/statutory requirement for business.
- Reclaimable VAT.
- Improvements/refurbishment of residential property.
- Feasibility studies for renewable energy.
- Costs associated with agricultural products (known as Annex 1 Products), where the output is for human or animal consumption or is a wood processed product.
- Traditional retail businesses.

# Amounts and Support Rates

Any application for grant must not exceed the maximum level of funding available (as set within the Local Rural Development Strategy by the Local Action Group) which may include any funding towards technical assistance. **An 'Enterprise' is considered to be any entity engaged in an economic activity, irrespective of its legal form.** Marketing and Bespoke Training can be included in an application for full grant-aid, but will reduce the amount of grant available by the amount of the marketing.

Activity	Min. Grant per project application	Max. Grant per project application	Level of Support
New Micro Business Capital Grant*	£5,000	Up to £30,000	Up to 50% for all applications
Existing Micro Enterprise Capital Grant	£5,000	Up to £50,000	Up to 50% for all applications
Existing Small Enterprise Capital Grant*	£5,000	Up to £90,000	Up to 50% for all applications
Technical Support & Bespoke Training	£500	Up to £5,000	Up to 50% for all applications
Web-based Marketing Support	£500	Up to £10,000	Up to 50% for all applications
Non Web-based Marketing Support	£500	Up to £5,000	Up to 50% for all applications

\* Micro businesses are those with fewer than 10 employees.

\* Small Enterprises are those with a minimum of 10 employees and fewer than 50 employees.

## Payments and State Aid

All grant payments will be made retrospectively by claim. No advances will be available. Only one application per business per Call will be accepted.

All funding will be paid as de-minimis aid i.e. no one applicant can receive more than €200,000 in any 3 year period.

### Eligible Beneficiaries

- Private Individuals  
18 years of age or over, in rural areas.
- Micro or Small Enterprises  
Performing non-agricultural activity.
- Social Economy Enterprises  
Engaged in economic activities in rural areas.

### Eligibility Conditions

Supported enterprises should be operational in rural areas, excluding towns with a population of more than 5,000, (with the exception of Greenisland) and must contribute to the objectives and priorities outlined within the LAG Local Development Strategy.

Applicants failing to achieve Letter of Offer Targets and Outputs in previous applications to Priority 6 may be debarred from applying until achieved.

Please note that this information may be subject to change as the Programme progresses.