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# **Rural England Prosperity Fund Applicant Handbook**

## **2023-2025**

**Guidance for applicants applying for funding in Wyre and West Lancashire**

**Contact Details**

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## **Introduction**

Lancashire County Council are delivering the Rural England Prosperity Fund(REPF) business grants on behalf of West Lancashire Borough Council and Wyre Council.

The Rural Fund supports the aims of the Government's Levelling Up White Paper and Future Farming Programme. It funds capital projects for small businesses and community infrastructure. This will help to improve productivity and strengthen the rural economy and rural communities.

The Rural Fund provides small scale capital funding to “support new and existing rural businesses to develop new products and facilities that will be of wider benefit to the local economy. This includes farm businesses looking to diversify income streams”.

### Who can apply

To apply for a REPF grant your business must be located within an eligible rural postcode in Wyre or West Lancashire. We use [Defra Magic Map](#) to determine if you are located within an eligible rural postcode.

The applicant must be a legal entity:

- Farmer – we can only fund farm diversification projects that move away from traditional farming. We are unable to fund food processing/packaging projects as this can be funded through the Farming Investment Fund
- Private business
- Someone who wants to start a business

### **Check the size of your business**

We are unable to provide grants for large businesses. Your business must fall within Micro to Medium, which also includes any linked businesses. The size of your business depends on the number of full-time equivalent (FTE) employees it has and its financial performance.

The table below shows what qualifies as a medium, small or micro business.

Business size	Number of FTE employees		Annual turnover or balance sheet total
Medium	Fewer than 250	And	€50 million (about £44 million) or less annual turnover OR €43 million (about £37 million) or less balance sheet total
Small	Fewer than 50	And	€10 million (about £8.8 million) or less
Micro	Fewer than 10	And	€2 million (about £1.7 million) or less

### **What is a "full-time equivalent" (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 works more than 30 hours per week they still count as 1 FTE employee.

### **Is your business "linked" to another business?**

If your business is linked to other businesses, this might mean you exceed the business size requirements and the funding limits.

The most common circumstances under which businesses are considered to be linked are:

- one business holds a majority of the shareholders' or members' voting rights in another business
- 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

- one business is able, by agreement, to exercise sole control over a majority of shareholders or members voting rights in another

### Preparing an application

Your application will be assessed by Lancashire County Council and approved by your relevant Local Authority. We are looking for evidence of a sound business case and for projects that meet our priorities for funding (see funding priorities on page 9). When you apply for a grant you are competing with other applicants in your local rural area. We are looking for projects that best meet the local priorities for funding and that offer good value for money. We prioritise applications that create jobs, demonstrates a clear future plan to grow or increase productivity and provide wider benefits to the local rural economy.

An example of this could include:

Conversion of a farm building into self-catering units. The project will safeguard the future of the farm by bringing in additional income but will also provide wider benefits to the local community through increased visitors numbers who will access local attractions, food and drink. It will also create two part-time jobs.

Or

The business currently makes pies from a small industrial unit. The business is at full capacity. An opportunity has arisen for the business to lease the unit next door to their current unit. They want to apply for funding to make capital improvements to the building and to purchase additional equipment. The project will enable them to triple production and to take on 10 full-time staff members over a 3 year period.

### **How we assess applications**

The application process is in two stages. First, you must submit an Expression of Interest (EOI) form. If your EOI is approved we will invite you to submit a Full Application.

### **EOI – what we look for**

We use the information in the EOI form to check that you and your project are eligible. Then we will assess how well your project meets local priorities. REPF aims to increase economic activity including growing the business and creating jobs. An application will not be successful if the project simply moves activity from one place to another or replaces similar activity at either a national or a local level.

It will help your application if you explain your project clearly. Tell us exactly what you are doing, why it is good for your business, how and where you are doing it and who will benefit from it.

### **Full Application – what we look for**

If you are invited to full application we will ask for more information to further assess your project and your business. **All applicants must attend a half-day business planning session, which is fully funded.**

You will also benefit from 7 hours of 1-2-1 business planning support from a Rural Expert. The Expert can review your draft plan, assist you with market research and help with your cash flow forecast. You can liaise with your Expert to determine how you wish to access your support either in person, online, via telephone or a mixture. The application and supporting documents must be submitted by the applicant and not a third party.

The following table gives you an overview of what we will assess

<b>Local priority fit</b>	How well the project meets the local priorities for funding.
<b>Value for money</b>	How the project costs represent value for money. The amount of grant required to deliver the outcomes and outputs, including jobs. From previous programmes we estimate that a FTE job created is worth a £30,000 investment. What difference grant funding will make compared to what would happen without grant funding.
<b>Need for the project</b>	Why grant funding is required for the project. There is a clearly identified market need for the project. The impact the project has on other businesses, both positive and negative.
<b>Financial health and projections</b>	The current financial viability of your business. How the project may impact on your existing business operations. How you will fund the project until the grant is claimed. How the business will benefit from the project financially.
<b>Risks</b>	That risks to project delivery have been identified and how they will be mitigated
<b>Cross-cutting themes</b>	How the project will impact the environment. How the project impacts on people who share characteristics such as race, disability, age and gender.
<b>Delivery and sustainability</b>	Whether the project will be delivered in budget and on time. That the right skills and resource are in place to deliver the project successfully. How project outputs and other benefits will be monitored and recorded.

Once your full application has been assessed it will be sent to a member of the Economic Development team in the relevant District for comment before being presented to a panel for a final decision.

### **Funding and costs**

You can use grant funding to cover a certain percentage of project costs – some costs may not be eligible. We encourage you to contact Karen Lawrenson at [ruralprosperityfund@lancashire.gov.uk](mailto:ruralprosperityfund@lancashire.gov.uk)



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to discuss your project idea and proposed costs at an early opportunity.

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

The amount you can apply for depends on the type of project and the costs involved. The minimum grant is £20,000 the maximum grant is £100,000.

Grants will typically be limited to a maximum of 40% of the project's total eligible costs.

### **Has your business already had some public funding?**

We will assess your project proposal against UK Government Public Subsidy criteria and will require you to supply us with detailed information on any public sector support you have received over the past three years.

### **Paying for the project – grant claims**

Grants are paid in stages, in arrears. They can only be claimed after the work being claimed for is finished and has been paid for. We expect you to make a maximum of 3 claims over the course of the project, and that the minimum value of each claim will be £2,500.

You must show that you have sufficient funds to pay for the project costs until you get the grant payments.

We cannot fund retrospectively. Any costs incurred prior to your Grant Funding Agreement being signed by you will be deemed ineligible.

## Costs which are not eligible for any projects

The following are not eligible for the grants under any priority. This list is not exhaustive.

### General costs:

Any costs incurred before the project start date shown in the grant funding agreement

- Contingency costs
- The cost of getting any permissions or consents, such as planning permission
- Any items which you have already had public (including EU) funding for (or intend to get EU or other public funding for)
- Relocation costs – if the business needs to relocate in order to expand, it can only apply for Funding for the cost of the expansion
- Costs associated with the provision of housing
- Projects that are carried out only to meet a domestic legal requirement

### Buildings, land and equipment costs

- Repairs and maintenance of existing buildings, equipment and machinery.
- Like-for-like replacement of existing items (such as buildings, equipment and machinery)
- Machinery or equipment that will not be on the asset register of the business 5 years after payment of your last grant claim
- The cost of moveable fittings – like soft furnishings, beds, tables, chairs. Cutlery, crockery, curtains, televisions and audio equipment, hand tools, small domestic kitchen equipment and utensils
- Purchase of land or buildings

### Business running costs

- Salaries and running costs
- In-kind contributions such as labour, vehicle or office space
- Recurring license fees, subscriptions and service charges
- Computers, software and printers used in the general running of the business
- Mobile phones
- The delivery of training activities
- Consumables
- Standard non-specialised domestic vehicles such as cars or motorbikes

### Financial costs

- Bad debts
- Advance payments
- Insurance policy costs
- Working capital
- Financial charges such as bank charges, fines and interest
- Reclaimable VAT





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### **Funding and Funding Priorities**

The funding will provide grants to new or existing micro or small businesses or farming business diversifying into non-agricultural or non-horticultural activities. Wyre and West Lancashire have an individual allocation as well as local priorities;

#### **Wyre - £140,000**

- Farm diversification;
- Tourism accommodation, food and drink;
- Improved digital infrastructure for businesses

#### **West Lancashire - £326,000**

- Tourism, Accommodation, Food & Drink
- Small Scale Investment mini & micro enterprises
- Growing the local social economy

The application process is competitive, which means you will not automatically get a grant. When you apply for a grant you are competing with other applicants in your area. When your application is assessed we will look at how your project meets local priorities and which projects provide the best value for money.

The Council reserves the right to cancel the application process at any point. The Council is not liable for any costs resulting from any cancellation of this process nor for any other costs incurred by those applying for grants.



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### **How to apply**

The application process is in two stages. First you must submit an Expression of Interest (EOI) form. If we endorse your EOI, we will invite you to submit a full application.

### **The Expression of Interest Form (EOI)**

For an EOI contact Karen Lawrenson at [ruralprosperityfund@lancashire.gov.uk](mailto:ruralprosperityfund@lancashire.gov.uk) who will check your postcode to ensure you are in an eligible area. You will then be sent an email with a link to an online form.

On the EOI you will need to give us some information about your business, including:

- Whether it is linked to any other business
- Turnover and balance sheet total from the most recent financial accounts
- Details of any previous public funding your business has had

You will also need to tell us about your project:

- What the objectives are and what the outputs/outcomes will be
- An overview of costs
- Important dates for your project
- How it fits with local priorities
- The market demand for the project and its impact on similar businesses

Once you submit your form it will be assessed to determine eligibility. If you are eligible you will receive an email with a link to the full application. If you are not eligible you will be notified via email. We aim to respond within 10 working days of receipt of your Expression of Interest form.



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## Full Application

If you are invited to submit a full application we will email you a link to the application form along with guidance notes, a business planning template, a cash flow template and details about the business planning workshop, which is compulsory for those wishing to submit a full application. When you attend the business planning workshop you will meet the Rural Expert who will discuss your needs with you and arrange 1-2-1 support.

The application form and business plan will ask for more detailed information about you and your business including:

- Final project costs (Including Irrecoverable VAT)
- Supplier details
- Key dates
- Proposed project outputs/outcomes
- It will also ask if there have been any key changes since your Expression of Interest

You will need to send us:

- The completed application form
- Business plan and cash flow forecasts
- Business accounts for the last financial year unless you are a new business
- 3 quotes for each item to be purchased
- Relevant permissions or consents
- Evidence that you can cover the project costs before claiming the grant in stages
- Proof of tenancy if required