



# Rural Micro Business Growth Scheme

## Scheme Information

*Sustainability at the heart of a living, working, active landscape valued by everyone.*



Department of  
**Agriculture, Environment  
and Rural Affairs**

[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)



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## Section 1:

### Introduction

The Rural Micro Business Growth Scheme is a pilot Scheme which will provide a grant to existing micro businesses to invest in innovation and new technologies which improve efficiency and productivity, create growth in the rural economy and make a positive climate related contribution. The Scheme will also fund new business start-ups that introduce new products or services to the market place.



This Scheme Information document explains what the grants are for, who is eligible and how to apply.

Funding for grants under this pilot Scheme is limited and must be spent in the current financial year ending on 31 March 2021. Your grant application will be in competition with others for the available funding and your application may not be successful.

The application process will have 2 stages:

#### Stage 1

You must submit an Expression of Interest (EOI) form. We will use the information you provide on the EOI form to check that both the business and project are eligible.

Then we will assess how well your project meets the Scheme priorities for grant. To do this, we will look at question 27 of the EOI (the 'Strategic Fit'). If we endorse your EOI, we will invite you to submit a full application.

#### Stage 2

If invited to submit a full application, you will have to provide more information that will allow us to further assess your project and your business. The section titled 'Full Application - What we look for' in Section 3, will give you an overview of what we will assess.

### Definition of a Micro Enterprise

This scheme is targeted at Rural Micro Enterprises - a micro enterprise is defined as an enterprise which employs less than 10 Full Time Equivalent (FTE) employees. Anyone who works 30 hours or more per week counts as 1 FTE. A person working 30 hours per week for 6 months of the year would be 0.5 FTE. All those paid via PAYE should be counted as employees. A micro business also has to have an annual turnover of less than €2m (the GBP £ value using the exchange rate of £0.89728 for June 2020 was almost £1.8m).

## Definition of a Rural Area

Your project must be located in a rural area. For the purposes of this Scheme rural is defined as all those areas outside the statutory development limits of those towns with a population in excess of 5,000 inhabitants. Settlements with populations in excess of 5,000 inhabitants are listed within the Rural Micro Business Growth Scheme at the following link within the DAERA website:

[www.daera-ni.gov.uk/topics/grants-and-funding-rural-development/rural-development-grants](http://www.daera-ni.gov.uk/topics/grants-and-funding-rural-development/rural-development-grants)



## Deadlines

The final date by which all projects funded under this pilot scheme must be completed and suppliers paid is **31 March 2021**.

## Section 2:

### Support available

Financial support will be available to create new, or grow existing, micro businesses in a rural area ('on' or 'off' farm). The financial support is for investment in non-food and non-tourism related projects. This is because the Department is considering opportunities for the food and tourism related sectors separately under the Rural Policy Framework.

You must provide evidence of a market for your product or service that will help to grow your business through:

- **increasing productivity through the adoption of innovative techniques and/or new technology; or**
- **investing in equipment, technologies or processes to increase efficiency; or**
- **opening up of new markets for your business, including external sales outside NI.**



The minimum grant support available is £5,000 and the maximum grant will be £40,000. The grants can only fund up to 50% of eligible costs (subject to the maximum £40,000). Any costs over and above this will be paid by you from private sources e.g. your own savings or a bank loan. You must therefore show that you have, or have access to, sufficient funds to pay for the project costs until the grant payment is released. Grants can only be paid retrospectively and when your project completes.

All grants will be paid as de-minimis aid in accordance with Regulation (EU) 1407/2013 i.e. no one applicant can receive more than €200,000 in any 3 fiscal year period (the GBP £ value using the exchange rate of £0.84995 for March 2020 was just under £170,000).



### Intervention Rates

Min Grant per project application	Max Grant per project application	Level of support
£5,000	£40,000	Up to 50%

## Section 3:

### Who can apply?

Existing rural micro businesses and new business start-ups are eligible to apply. Only one application per business is allowed. You must be 18 years of age or over to apply.

The size of your business depends on the number of employees you have, along with your annual turnover.

In addition, if your business is linked to other businesses, this might mean that you exceed the business size requirements of a micro business i.e. less than 10 employees.

The most common circumstances under which businesses are linked include:

<ul style="list-style-type: none"> <li>• <b>One business holds a majority of the shareholders' or members' voting rights in another business;</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>One business is entitled to appoint or remove a majority of the administrative management or supervisory body of another;</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>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;</b></li> </ul>
<ul style="list-style-type: none"> <li>• <b>One business is able, by agreement, to exercise sole control over a majority of shareholders' or members' voting rights in another.</b></li> </ul>

You should note that anyone applying to the scheme will **NOT** automatically get a grant as there is a limited budget.

Consequently, a competitive process will be applied to all applications to assess how well they fit the priorities for funding, whilst providing best value for taxpayers' money.

<b>Priorities for Funding</b>	
<b>Grow your business</b>	Increases the turnover and profitability of a business.
<b>Improve productivity through innovation</b>	Introduces new techniques, equipment or processes to a business to make it more productive, and to make a positive climate related contribution.
<b>Open new product markets</b>	Helps your business sell goods or services to new customers or markets, including external sales outside Northern Ireland.

## Full application - What we look for

If you are invited to submit a full application, DAERA will ask you for more information to further assess your project and business. The table below gives an overview of what DAERA will assess when looking at full applications:

<p><b>Strategic fit</b></p>	<p>Does the project meet the Priorities for Funding? Is the project viable? Does the project impact the environment? Will the project make a positive environmental impact? Will the project displace other businesses?</p>
<p><b>Value for money</b></p>	<p>How the project costs represent value for money? The amount of grant required to deliver the outcomes and outputs? Will the project create a job(s), or introduce higher quality jobs? What difference grant funding will make, compared to what would happen without grant funding?</p>
<p><b>Need and demand</b></p>	<p>Why grant funding is required for the project? Is there a clearly identified market need for the project? The impact the project has on other businesses, both positive and negative?</p>
<p><b>Financial viability</b></p>	<p>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?</p>
<p><b>Delivery and sustainability</b></p>	<p>Will 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? That risks to project delivery have been identified and how they have been mitigated?</p>

## Section 4:

### Eligible costs

This scheme provides for investment that will allow new or existing micro businesses to grow and become more productive, profitable and efficient, through the adoption of innovative techniques and technology and/or through an increase in production, for new, existing and export markets.

All grant will be paid in one claim once equipment/machinery has been purchased and is operational.

The following costs are eligible for support:

- **the purchase of new machinery; or**
- **the purchase of new equipment.**

The following costs are also eligible if they form part of a larger project being funded:

- **the purchase or development of a dedicated piece of computer software (but not an off-the-shelf piece of software like Microsoft Office).**

## Section 5:

### Ineligible costs

The following are examples of costs that are not eligible for grant assistance:

#### **General Costs**

- Any costs incurred before the project start date shown in the Letter of Offer.
- Contingency costs.
- The costs of getting any permissions or consents, such as planning.
- Any items for which you have already received EU or national funding.
- Any items that you intend to get EU or national funding for.
- Relocation costs.
- Marketing and promotion.



### **Building and Equipment Costs**

- Construction or refurbishment of buildings.
- Purchase of land, whether or not this land is built on.
- Vehicles or equipment for transporting people or goods.
- Repairs and maintenance of existing buildings, equipment and machinery.
- Like-for-like replacement of existing items such as equipment or machinery.
- Any item purchased using lease or hire-purchase.

### **Business Running Costs**

- Salaries and running costs of the business.
- In-kind contributions (this means the value of donated work or services) such as the costs of using your own labour, vehicle and office space.
- Recurring license fees, subscriptions and service charges.
- Computers, software and printers used in the general running of the business, like processing orders or accounts.
- Mobile phones.

### **Agricultural Business Costs**

- Machinery and equipment used for growing and harvesting agricultural and horticultural products.
- Standard agricultural or farm services equipment.

### **Financial Costs**

- Insurance policy costs.
- Costs connected with a leasing contract, such as a lessor's margin, interest refinancing costs, overheads and insurance charges.
- Reclaimable VAT.

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.

The above list is not exhaustive and the Department's decision regarding eligibility will be final.

## Section 6:

### How to apply

The application process will be in 2 stages.

The first stage requires you to submit an EOI form. If DAERA approves your EOI, you will then be eligible to proceed to the second stage.

The second stage involves the submission of a full application. If you are invited to submit a full application you will be advised of the deadlines for this.



The Expression of Interest guidance notes explain how to fill in and submit an EOI form. DAERA will not seek clarification on any aspect of the expression you submit. The onus is therefore on you to ensure your submission is fully completed as detailed in the guidance notes. Please also note that incomplete or late submissions will be deemed ineligible and will not be assessed.

DAERA will use the information on your EOI form to check that both your business and your proposed project are eligible to apply. DAERA will also assess how well your project would meet the priorities for funding.

You should now complete an EOI form and submit this to the e-mail address provided on the EOI form.

## Section 7:

### What happens next?

DAERA will contact you to let you know if your EOI enables you to submit a full application.

If you are invited to make a full application, you will have approximately 6 weeks to submit your full application.

The Department will make a decision on your application and, if successful, a Letter of Offer (the funding contract) will issue to you by **31 December 2020**.

### Further information

If you have any further enquiries please e-mail: [RBCI.programme@daera-ni.gov.uk](mailto:RBCI.programme@daera-ni.gov.uk)



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