



# Mourne, Gullion & Lecale

Rural Development  
Partnership

## Rural Business Investment Scheme



# Application Requirements

**There are a number of mandatory pre-requisites required before an application can be made to include:**

✔ Attendance at Mandatory Pre-Application Workshops

✔ A Business Plan

(Contact your local enterprise / business centre.  
Must be Regional Start Initiative Template – Not required for Marketing & Technical Support and Bespoke Training Projects)

✔ Planning Permission

(If required, existing & new businesses must provide written evidence of all planning / statutory approvals from the relevant authorities)

✔ Evidence of Match Funding

(Written evidence, e.g. bank statement / loan approval etc.)

✔ Procurement Exercise Undertaken

(More info will be presented at the Mandatory Pre-Application Workshop)

# Rural Business Investment Scheme

## Description of the operation

The Rural Business Investment Scheme will provide investment support for the creation and development of micro and small enterprises (including farm diversification and private tourism businesses) in rural areas. All businesses applying will require a business plan to support their application at time of applying. The level of funding will be dependent on the businesses' potential for growth in the short to medium term. The funding will primarily provide capital grants with some resource funds towards bespoke training and marketing.

With regard to the Rural Business Investment Scheme exclusively, the towns of Warrenpoint, Newcastle, Kilkeel and Ballynahinch are eligible, however no more than 20% of total business investment will be allocated to the projects in the above towns.

Support is provided for capital investments in creation and development of non-agricultural activities in rural areas for all micro and small enterprises. The programme is not designed to sustain jobs, because its primary objective is to create new jobs. This might be either an activity, which is new for an existing enterprise<sup>1</sup> (or an expansion of an existing activity leading to job creation) or a new business startup. The following is a list of the types of activity, which may be supported:

- + Rural tourism activities, including some types of rural accommodation, tourism service provision, craft retail unit in front of a production unit, restaurants. This refers to rural tourism activities which could include, among other things, restaurants. But this must be considered within the context of Tourism, i.e., such an investment would have to clearly support the Tourism industry and out of state visitors. This may be associated with a Tourism product or a very unique restaurant experience – on farm produce etc.
- + 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, sewage and refuse disposal, sanitation and similar activities
- + Processing and marketing of some agricultural products (referred to as Annex 1) where the output is non food, not fit for animal consumption or a processed wood product
- + Social service provision including construction, re-construction and/or modernisation of premises and area for carrying out the activities (childcare, eldercare, healthcare, care for disabled people, 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 i.e. the business will be funded at the same intervention rate as private business (50%), any projects relating to sport must fit with DCAL's (now part of Department for Communities) investment strategy on sport
- + IT activities, computer-based and electronic activities, e-commerce, online warehouse, etc.
- + Provision of services e.g. Architectural and engineering activities, accounting, book keeping and auditing services, technical services, industrial cleaning, veterinary and animal welfare activities, etc
- + Marketing element which would include website development and information leaflets/ brochures
- + Bespoke training is defined as training commissioned to a particular specification for example training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/Council/ Agency (such as a Further Education College, Invest Northern Ireland, Local Enterprise Agency), is not eligible within Priority 6

<sup>1</sup> An existing business operating continuously for a period of at least 1 year prior to the date of application verifiable on presentation of annual business accounts.

## 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.

## Eligible Costs

The following costs are eligible for support:

- 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 and 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 course fees including enrolment, tuition and accreditation. Bespoke Training is defined as training commissioned to a particular specification for example training that is necessary for the implementation of the funded project. Training that is available generally, either in the market place or through another Govt Dept/ Council/Agency (such as a Further Education College, Invest Northern Ireland, Local Enterprise Agency) is not eligible within Priority 6
- 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

# Ineligible Costs

The following costs are **not** eligible for support:

- 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) Lease-purchase/hire purchase of new machinery and equipment
- g) Purchase and installation of renewable energy technologies
- h) The purchase of cars, vans, motorcycles, bicycles, light aircraft and any other form of transport<sup>2</sup> (for whatever purpose)
- i) The purchase of vehicles<sup>3</sup> for transportation (such as lorries, buses, vans, minibuses or any other kind of vehicle used to transport or move goods or people)
- j) Tractors and Agricultural machinery
- k) Expenditure incurred or work commenced/goods purchased before the letter of offer project start date or after the letter of offer project end date
- l) Payments for gifts and donations or personal entertainments (including alcohol)
- m) 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
- n) Travel and/or accommodation associated with attendance at bespoke training or trade shows
- o) Reprinting of marketing materials or costs associated with internet ads, pop-up ads or search engine optimisation (SEO)
- p) 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
- q) Statutory fines and penalties, criminal fines and damages
- r) Legal expenses in respect of litigation
- s) Any cost associated with meeting a legislative or statutory requirement for the business
- t) Reclaimable VAT
- u) Improvement/refurbishment/ installation of all assets associated with a residential property, including attics, garages, extensions and gardens
- v) Feasibility studies for renewable energy
- w) 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
- x) The construction of any build and/or any associated equipment intended for the separation and drying or the recycling of animal bedding for sale.
- y) Any form of retail business
- z) Standalone equipment e.g. generators, compressors etc (However, these may be eligible if part of a wider suite of equipment needed for the project to be funded)
- aa) Livestock Markets
- ab) Running costs and consumables
- ac) Local business supplying a local market, eg account, solicitor, vets, restaurant, coffee shop etc unless it provides a unique/innovative element at a Northern Ireland wide level.

# Rural Business Investment Grant Rate

Type of expenditure	Min. grant per project application £	Max. grant per project application £	Level of Support	Eligible applicants
<b>Capital Grant</b> (New Micro Business)	<b>5,000</b>	<b>30,000</b>	<b>Up to 50%</b>	Private individuals (18years or over) in rural areas / Micro or Small enterprises (performing non-agricultural activity) / Social Economy Enterprises engaged in economic activities in rural areas  (Please Note: The towns of Warrenpoint, Newcastle, Kilkeel and Ballynahinch are eligible; however no more than 20% of total business investment is to be allocated to projects in the above towns)
<b>Capital Grant</b> (Existing Micro Business)	<b>5,000</b>	<b>50,000</b>	<b>Up to 50%</b>	As above
<b>Capital Grant</b> (Existing Small Business)	<b>5,000</b>	<b>90,000</b>	<b>Up to 50%</b>	As above
<b>Technical Support and Bespoke Training</b>	<b>500</b>	<b>5,000</b>	<b>Up to 50%</b>	As above
<b>Marketing Support</b> (Non Web Based)	<b>500</b>	<b>5,000</b>	<b>Up to 50%</b>	As above
<b>Marketing Support</b> (Web Based)	<b>500</b>	<b>10,000</b>	<b>Up to 50%</b>	As above E-commerce for maximum grant



Please note: Only one application per business per call will be accepted.

This also includes applications from linked companies.

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

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 within the limits above.



- An enterprise is considered to be any entity engaged in an economic activity.
- A small enterprise is defined as; an enterprise which employs below 50 persons.
- A micro enterprise is defined as an enterprise which employs below 10 persons.



Department of  
**Agriculture, Environment  
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