

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

FARMING CONNECT CUMBRIA

CRITERIA & CONDITIONS

Issue 4

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CONTENTS

Page

1	Introduction
1	What is Farming Connect Cumbria
1	Basic Eligibility Criteria for Entering the FCC Programme
2	STEP 1 – PREPARING THE SUSTAINABLE DEVELOPMENT PLAN
3	STEP 2 – FARMING CONNECT CUMBRIA GRANTS
3	Eligibility Criteria
5	Scoring Criteria
5	How to apply
6	Claiming Grant
7	Disposal of Assets
7	Acknowledgement
8	Good Practice
8	Breaching Conditions
8	Eligible Items & Restrictions:-
8	a. FCC Development Grants
	Items eligible for grant
	Specific restrictions
13	Grant size
14	b. Technical Consultancy Grants
14	Items eligible for grant
14	Grant size
Ap1	APPENDIX 1 – STANDARD COSTS

Introduction

This document explains what the Farming Connect Cumbria (FCC) programme is and what you need to do to take part in it.

What is Farming Connect Cumbria?

Economic, environmental and social sustainability will be the central principle of the Farming Connect Cumbria (FCC) programme. FCC is funded by Rural Regeneration Cumbria (RRC) using North West Development Agency (NWDA) funding to provide support to farmers in Cumbria on a 2 step basis. Under **Step 1**, we will provide advice to help you draw up a Sustainable Development Plan (SDP). This SDP will set out all relevant opportunities for your business in relation to business development and environmental potential. Under **Step 2**, we will provide grant funding to help you invest in the opportunities identified in the SDP.

Basic eligibility criteria for entering the FCC programme

You must meet the following conditions to be eligible for FCC:

1. Your business must be based on an agricultural holding with a County /Parish/Holding (CPH) number relating to the county of Cumbria (08).
2. Your business must be an eligible agricultural business as defined by the following:
 - the agricultural enterprises on the holding must have an existing labour requirement of 550 hours per year
 - as evidence of this, applicants must make available to advisers relevant paperwork including 3 years recent accounts
 - EXCEPTIONS may be made for new entrants or emergent farm businesses on a case by case basis after consultation with the FCC programme manager
3. Your business must be a small or medium sized enterprise (SME) as defined in Annex I to Regulation (EC) No 70/2001:
 - it has fewer than 250 employees and
 - it has either an annual turnover not exceeding €40 million, or a balance-sheet total not exceeding €27 million, and
 - it is not owned at a rate of more than 25% by other companies
4. European law restricts the amount of State aid given to agricultural businesses. Aid under the FCC programme will be provided in accordance with EC regulation 1857/2006. Article 15 of this regulation governs the granting of 'technical support' which includes the advice element of the FCC programme (Step 1).
No payments will be made directly to producers. Such support may be granted up to 100%.
5. Colleges per se will not be eligible for FCC. Farming Connect is aimed at "farming families" and Colleges are not seen as coming within this

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

definition. However, where a College farm is run in the same way as any other tenant farm, and the benefits would go towards helping a farming family improve their farming business, it would be eligible.

6. Tenants are eligible if their tenancy agreement covers at a minimum the 5 year period of the sustainable development plan (SDP). Evidence of the terms of tenancies must be provided. Other legal structures, e.g. share farming arrangements, will be considered using the same principles.

Step 1 – Preparing the Sustainable Development Plan (SDP)

The FCC programme will open on 1st July 2007 and close to new applicants on 31 March 2008. If you meet the eligibility criteria you should contact Cumbria Farm Link on 01768 891444 or via the CREA website www.crea.co.uk to get started:

- Cumbria Farm Link will ask you to provide details confirming your eligibility, so you should have to hand evidence as indicated above (i.e., your CPH number, details of how your business is agricultural, details of how your business complies with the definition of an SME, details of any technical support you have received in the last three years).
- When we are satisfied about your eligibility we will refer you to a business adviser and an environmental adviser.
- The advisers will arrange an initial visit and prepare an initial summary based on this visit.
- You will then arrange with the advisers an allocation of their time (generally around 5 days in total) and they will help you to prepare a draft SDP.
- You and the advisers will then work from the draft plan until a Sustainable Development Plan (SDP) is agreed and signed.

This SDP will set out all relevant opportunities for the development of your business in relation to new business opportunities, skill development and environmental potential. The SDP will identify where other specialists need to get involved. It will contain a timetable of agreed actions and an indication of the outcomes that are expected to be achieved. One agreed action might be to make investments in new business opportunities, skills or environmental protection measures for which an FCC grant might be available. The information contained in the SDP would be designed to help you in making grant and planning applications.

- Once work has commenced on the implementation of the SDP, scheduled monitoring/support visits as deemed appropriate by the Programme Manager, may be undertaken by the adviser and / or the assessor to ensure that progress towards the SDP objectives is being made, and also to collect information for official monitoring and evaluation purposes. Allowing data collection for evaluation purposes will be a condition of participating in the programme.
- Where your SDP recommends a grant application through FCC, the advisers will help with the preparation of the application and you will move onto Step 2 (below).
- Where your SDP does not result in a grant application, the advisers will complete the activity with you by undertaking a monitoring visit before the end of the FCC programme (currently scheduled to end in April 2007).

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

Step 2 - Farming Connect Cumbria Grants

Note: All grants are discretionary

Under Step 2 of the FCC programme, we may be able to offer you grant aid towards the cost of projects you need to carry out to implement your SDP. Grant aid under this programme will be of 2 types:

Farming Connect Cumbria Development Grants

These grants may provide funding towards the cost of certain works and/or purchases of certain equipment for your holding.

Farming Connect Cumbria Technical Consultancy Grants

These grants provide funding towards the purchase of specialist advice, but can no longer be paid directly to the farmer.

Eligibility Criteria

You must have met the eligibility criteria for entering the FCC programme and have gone through Step 1 to access Step 2. A grant will only be made available if you can demonstrate the following:

- You **need** grant aid (i.e., without grant aid, the project would not go ahead or the success of the project could be compromised)
- The project is **viable**
- The project is **sustainable**
- You can provide evidence of the **likelihood of successful outcome** of the proposal and your ability to complete the project (financial data and business plans will be integral to the assessment of proposals).

Aid may only be granted to viable agricultural holdings which comply with the criteria set out in Article 5 of Regulation (EC) No 1257/2006 These are:

1. You must be able to demonstrate the economic viability of your holding. This will be assessed on the basis of the most recent 3 years audited accounts. These will need to show that the farm business is in profit or would be in profit following the implementation of the sustainable development plan.
2. Your holding must comply with minimum standards regarding the environment, hygiene and animal welfare. For applicants prior to 1st January 2005 you must be registered with one of the Little Red Tractor farm assurance schemes. These include the following:
 - FABBL-EFSIS, Genesis (Beef & Lamb),
 - ABP (pigs),

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

- ACP (poultry),
- NDFAS (dairy),
- Assured Produce(vegetables),
- ACC (cereals and oilseeds).

These cover welfare, hygiene and the environment. Other acceptable assurance includes Organic Certification (complete or in conversion), LEAF or Freedom Foods. If any farm is not already at a minimum Little Red tractor assured or the other as mentioned above then they must sign up in their SDP to achieving it by a fixed date. For applicants on or after 1st January 2005 the standard will be as above until cross-compliance rules are set in place, at which point these will then be the minimum standard applied. For farms that are not cross compliant with SMR's (Statutory Management Requirements) and GAEC (Good Agricultural and Environmental Conditions), then your Sustainable Development Plan will set out as a priority the actions to address this.

3. Sufficient evidence should be made available that you possess adequate occupational skill and competence. This will be assessed on the basis of a skill check integral to the sustainable development plan. Should you have completed a LANTRA skill check within the last 3 years then this can be used as evidence. If not then your adviser will go through a short skill check with you based on the Key Tasks and People Development Review sections of a Lantra Skillcheck. Details of this are available on the LANTRA website www.lantra.co.uk.
4. Sufficient evidence must be available that normal market outlets for the products concerned exist for the future. During the sustainable development planning stage your adviser will support you in developing this evidence. As part of your sustainable development plan you will need to demonstrate there will be a demand for the products your are producing by including a market research section. The programme appraiser will assess the validity of this information, in part through local knowledge and reference to appropriate trend analysis produced by the Meat and Livestock Commission, Milk Development Council and the Home Grown Cereals Authority.

In addition, your project should have a neutral effect on the level of production. In no circumstances will investments which lead to an increase in production capacity (measured in terms of livestock units or cultivated surface) of more than 20% be eligible. Investments which simply replace an existing asset with the same type of asset will not be eligible. Further details of what specific investment items are eligible and any further restrictions are set out under eligible items and restrictions below.

You will be eligible for a grant only if you can demonstrate compliance with the above conditions, with the exception that funding may be made available to help you comply with newly introduced statutory minimum standards regarding the environment, hygiene and animal welfare (see page 6 –Specific Conditions 1.).

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

Scoring Criteria

Not all eligible projects will receive grant aid. Projects will be assessed according to the following standard scoring criteria. The figure in brackets indicates the maximum possible score for each factor.

Specific Factors Relating to the Project

1. The extent to which the current business is run efficiently (4)
2. The extent to which the project will create jobs / extra hours of work (2)
3. The extent to which the project will safeguard existing workforce (2)
4. The cost effectiveness of the project (3)
5. The extent to which the project will improve the farm business viability (4)
6. The extent to which the project will safeguard or improve the farm environment (4)
7. The extent to which risks (business or environmental) have been identified and minimised (3)
8. Where there is evidence of compliance with other support schemes - e.g. Environmental Schemes, RES, etc. (2)
9. The extent to which the project will improve animal welfare (4)
10. The extent to which the project will have a positive influence on family succession (2)
11. The extent to which an appropriate level of training will be or has been undertaken (3)
12. The extent to which quality assurance has been included (4)
13. The extent to which an effective monitoring plan has been prepared (4)

Value for money and wider sectoral benefits

1. The degree of conformity with local and wider strategies for economic development (e.g. Rural Action Zone, NWDA Rural Renaissance, Defra's Sustainable Food and Farming Strategy) (3)
2. The degree of conformity with local and wider strategies on the environment and landscape (e.g. English Nature Habitat Directive and Local Structure Plans) (3)
3. The degree to which the sector and other businesses will benefit (3)
4. The number of jobs safeguarded (per £1000 public sector spend) (2)
5. The number of jobs created (per £1000 public sector spend) (3)

Groups of clients applying for grant aid for collaborative projects will be given a high priority when assessed.

How to apply

In order to be considered for a grant you will need to complete an application form. Application forms for completion are available from Cumbria Farm Link on 01768 891444 or on the CREA website www.crea.co.uk.

Once you have completed your grant application form:

- Send it, along with your Sustainable Development Plan, to Cumbria Farm Link who will then send you a letter confirming receipt and giving you a decision date (generally within 2 months of receipt of the application).

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

- An FCC Project Assessor may visit the farm and will consider your application and make a recommendation based on standard scoring criteria. (See above.)
- The assessor may recommend approval or refusal, or may request some amendments to your application; if the assessor recommends approval, he / she may recommend a grant level and may set specific conditions or recommendations.
- The recommendations of the Project Assessor will then be passed to a Grant Panel. The Grant Panel may *agree with, amend* or *reject* the assessor's decision.

If you are **unsuccessful** -

you will receive a letter explaining why. You can appeal against the decision. If you want to do so, you should write to Cumbria Farm Link, Rural Enterprise Centre, Redhills, Penrith, Cumbria CA11 0DT within 10 working days. Your appeal will be put before the FCC Steering Group, which comprises representatives from the farming community and agencies including RRC, Defra-RDS, English Nature, and the Environment Agency.

If you are **successful**

we will send you an offer letter and a claim form. Your offer letter will state what grant you will receive and any special conditions attached to it. Once you have received your letter, you will need to confirm the start date and sign the offer letter and return it to Cumbria Farm Link.

Applications for grant aid must be approved before the work starts.

IMPORTANT DATES:

- Last date for FCC Development Grant Applications – 31st March 2007 (now closed)
- Last date for FCC Technical Consultancy Grant Applications – 31st March 2008
- Last date for FCC Advice – registration by 31st March 2008 and claim by 31st May 2008
- Last date for FCC Development Grant Claims – 31st March 2008
- Last date for FCC Technical Consultancy Grant Claims – 31st May 2008

Claiming grant

- The grant is payable only to the owner / manager of the business applying for assistance.
- Claims made on an actual cost basis must be accompanied by original receipted invoices.
- Standard costs may be used under certain circumstance specified in appendix 1
- Claims should be made on the net cost of work excluding discounts and VAT (unless the business is not VAT registered, in which case the VAT inclusive cost can be considered).
- If work is paid for on deferred terms, these terms cannot go beyond the life of the scheme, as claims can only be paid after the final instalment is paid and only on the cash price not interest.
- No interim claims can be made.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

- Claimable works must be open to inspection by the FCC assessors or agreed representatives of the funding agencies

Approvals, regulations and notifications must be complied with before any grant is claimed. These may include: Planning Permission; Building Regulations, National Park requirements, Fire Certificate, Health and Safety, Food Hygiene, SSSI, AONB, National Nature Reserve, Ancient Monument, Listed Buildings, Public Rights of Way, Felling Licence / Tree Preservation Orders, Conservation Areas, ESA, Countryside Stewardship Scheme, Environment Agency regulations*, Common land, Landlords consent, etc. The proposal may also result in a liability to pay rates (local authorities will advise).

**Particular care must be taken to consult the Environment Agency in any matters regarding pollution control.*

NOTE: This list is not exhaustive and it is the applicant's responsibility to ensure all relevant regulations are complied with.

Claiming procedure:-

When work is complete, you should inform the FCC Programme Manager and send in a completed claim form. On receipt of a claim, the work will be inspected by an assessor. The assessor may require remedial work to be carried out. If so, we will write to you. Any remedial work should be done within 1 month of the date of our letter. On satisfactory completion of the works, we will issue a Completion Certificate and make your grant payment.

Please note:

No grants will be payable which fall outside the conditions set out in the Commission Regulation (EC) No. 1857/2006 on State Aid in the agriculture sector.

After grant payment is made, a *proportion* of developments will be monitored at a later date. You will need to make your grant funded assets available for inspection if requested. All accounts and details of work relating to the development must be kept for 10 years and must be available for audit by NWDA or RRC auditors if required.

All items purchased or constructed with the assistance of grant aid must remain in use for the purpose for which the grant was approved for 7 years (or for their useful life if this is less than 7 years and correct maintenance has been carried out).

Disposal of assets

Where a grant recipient disposes of assets that have been the subject of a grant within 5 years of receipt of that grant, we would normally expect to ask you to repay the whole amount of grant. However, if the asset was to remain in use for the purpose set out in the grant award, this recovery could be waived [providing you receive no specific payment for the asset]. A declaration to this effect would be required from the person acquiring the asset concerned.

Acknowledgement

Successful applicants must acknowledge the assistance from the NWDA and RRC through Farming Connect Cumbria.

Good practice

Grant recipients may be asked to share examples of good practice with other farmers considering similar projects.

Breaching of conditions

IMPORTANT:

Where it is discovered that any condition has been breached, or that any information provided is materially false or misleading, there will be discretion to recover all or part of the grant.

ELIGIBLE ITEMS & RESTRICTIONS

There are limits on the size of grant which will be paid and specific restrictions on what can and cannot be paid for under the FCC grant programme. These are listed below.

a. FCC Development Grants

Items eligible for grant

Grants will be available for investments carried out on farm holdings which have been identified in the Sustainable Development Plan. Eligible expenses under FCC Development grant are:

- The construction, acquisition or improvement of immovable property.
- The purchase or lease purchase of new machinery or equipment may be included (where this is clearly indicated as key to the implementation of the SDP).
- General costs such as architects fees, engineers fees, consultation fees, feasibility studies and the acquisition of patents and licences will be eligible.

Examples of developments which could attract grant aid include:

- Physical improvements to farm infrastructure that will increase technical efficiency, bio-security, hygiene or animal welfare.
- Installation of farm waste management equipment.
- Implementation of nutrient budgeting schemes (Costs eligible could be for soil sampling and analysis. The cost of certain specialist materials may be eligible under the development grants, whilst the specialist time element may be eligible under technical consultancy grants).
- Installation of facilities which will enable entry to Farm Quality Assurance Schemes and Environmental schemes.

Specific Restrictions

The following are additional specific restrictions on certain types of investment which may be eligible for grant. Types of investment not listed are not generally subject to further restrictions.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

1. Investments to bring about compliance with newly introduced minimum standards regarding the environment, hygiene and animal welfare.

It is a condition of the FCC grant programme that holdings where investments take place comply with minimum statutory standards regarding the environment, hygiene and animal welfare. The one exception is where such standards have been recently introduced. In such cases, you may receive a grant to help you comply with those standards. Newly introduced minimum standards means:

- (a) in the case of standards which do not provide for any transition period, standards to be made compulsory for operators not more than two years before the investment is actually started; or
- (b) in the case of standards which provide for a transitional period, standards to be made compulsory for operators after the investment has actually been started.

2. Investments in milk substitute and sugar products

Investments in the manufacture and marketing of products which imitate or substitute for milk and milk products and investments in the processing and marketing in the sugar sector are not eligible for grant.

3. Mobile Equipment

The equipment should not (generally) be self-propelled. If exceptionally an item is self-propelled (motorised), it should not leave the farm premises.

Exception: only where it is felt an item will add exceptional value to the project will it be considered, in close consultation with the FCC Grant panel and/or steering group

PARAMETERS - Items must meet all of the following requirements. Any items that do not meet the requirements but may be able to demonstrate *exceptional* circumstances must be referred to the FCC Grant Panel

1. Equipment that is a routine part of a farming business will not normally be eligible eg. Tractors, trailers, quad bikes, other normal agricultural machinery including forage harvesters and arable or horticultural machinery.
2. Equipment is not eligible if it is to be used for the specific purposes of long distance haulage.
3. Mobile item(s) must be essential and integral to the project:
 - i. Essential - The project could not go ahead without this equipment.
 - ii. Integral - The project could not function or operate properly without this equipment.
 - iii. The item must not be the *only* item being funded, i.e. the project cannot revolve around just a single item of expenditure. It must contribute to a wider project aim.
4. The equipment must be dedicated to the stated purpose:
 - i. The equipment must be identified for a specific purpose within the project.
 - ii. **The equipment must not be used under any circumstances for any alternative use for either other business purposes or any domestic use.**

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

- iii. An item will not be eligible for grant if it cannot be clearly demonstrated that its usage is restricted to the activity of the project.
5. The equipment should provide value over the economic life of the project.
 - i. The equipment should be available for use over the life of the project – a minimum of 5 years.
 - ii. The economic life expectation of the equipment should be 5 years.
 - iii. If within 5 years, the item stops working/breaks down, it should be replaced *by the applicant* and no further grant will be paid.
6. Any income derived from the equipment should come back to the farm household where the project was approved.

ADDITIONAL CONDITIONS – mobile equipment:

- The serial numbers of any equipment must be retained along with any documentation relating to its use.
- The applicant must retain a register of all equipment.
- The equipment must be available for inspection.
- The applicant must advise if there is intended change to the stated use of the equipment.

Grant will be reclaimed if there is any breach of the above.

4. Computers

For the purposes of FCC, computers and computerised equipment are categorised as follows: -

Category A: Desktop or Laptop (or any similar hardware) computers (including all items of hardware, VDUs, modems etc) that can be used for general applications (i.e. not specific to farming) but which could run software to support management of an agricultural business.

Category B: Computerised components of equipment (that would be eligible for support under FCC) e.g. dairy parlour recording systems, ventilation systems in livestock housing.

Category C: In cases where hardware is present on the farm (or where there are definite plans to acquire hardware), any software that is run on either Category A or Category B above, but which is used specifically for managing aspects of the farm which meet FCC objectives (i.e. improving efficient use of costs of production, benefiting animal welfare/hygiene etc).

Items under Category A will not be eligible for grant under FCC but items under Categories B and C could be considered, providing that all other Scheme eligibility criteria can be met.

5. Services (electricity, water, gas, communications)

These are covered under FCC. Where a supply is required as part of a new development then as long as it is justified in the SDP the necessary expenditure could be grant aided. In cases where a mains supply is required as a stand alone item (to service only existing activities), then the proposal may need to be looked at a little closer but in theory, if the expenditure is required for the medium to long term viability of the business and the SDP can justify the outlay, then it should be eligible for grant.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

Supplies for domestic use would NOT be eligible.

6. Access roads

These are eligible in principle - as long as all Scheme eligibility criteria are met. This would include Planning and also a clear budget in the SDP to demonstrate that the investment would provide a return to the business. Roads can be expensive to construct and it may be difficult to justify the capital cost.

7. Slurry Stores and related equipment

Investments relating to items constructed post 1 September 1991 are covered by the Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) Regulations 1991 and will be deemed to meet the minimum standards. Investments to bring items in line with the 1991 Regulations will not be eligible for funding because the grant can only be used to fund items necessary to comply with **recently introduced** regulatory or statutory requirements. Where the facilities are being improved from the minimum standards to above the minimum standards, then grant aid may be considered.

If there is a change to the farming system e.g. from straw bedding to cubicles, the investment could be considered for grant aid.

Low volume umbilical slurry irrigation systems: Fixed equipment such as pumps and pipes are eligible for grant under FCC but associated mobile elements such as hoses, reelers and applicators are considered to be routine agricultural machinery items for the disposal of slurry and as such are not eligible.

Earth bank silage pits and earth bank slurry lagoons could, in theory, be grant aided provided they meet all necessary regulations and codes of good agricultural practice. However, in practice, it is almost impossible to construct either structure to a standard that would be acceptable to Environment Agency. Where earth bank structures are proposed, guidance must be sought from Environment Agency.

Advice on silage and slurry storage facilities may be obtained from the Environment Agency.

8. Cattle Crushes

This could be eligible under FCC providing it is fixed (bolted) in one location and preferably is an integral part of a new handling system (but can also be part of an existing handling system).

9. Mill and Mix Machinery

This is eligible under FCC providing it is genuinely an item of fixed equipment i.e. specifically for bolting to the floor and has no facility for any mobile use whether on farm or not.

10. Fencing

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

Fencing alone cannot be supported under FCC. However, fencing may be eligible for grant where *it is part of a wider specific project for which grant is being sought*. Only the most cost effective appropriate type of fencing will be eligible.

For example, cow tracks could be supported under FCC and if the track is to function properly (ie if cows are to be prevented from wandering into adjacent fields) a fence alongside the cow track would be essential. Such a fence could be considered to be in line with the FCC ie "*part of a wider specific project for which grant is being sought*" and so be eligible for grant aid. Grant would only be paid on fencing that is required for cows (ie strands of plain wire not barbed because of welfare considerations, with posts set at appropriate distances apart or appropriate permanent electric fencing). Any elements over and above this requirement (eg woven wire with proportionally more posts) would not be eligible for grant.

Traditional field boundaries must be protected and a fence 1 metre from the edge of a traditional boundary is recommended to avoid any risk of environmental damage. The cost of a protective fence would be eligible for grant provided it is not being funded from any other source. As with the fence between the track and the field, only that which is necessary to keep cows away from the boundary would be eligible for grant i.e. plain wire, no barbed wire or netting.

A replacement fence alongside an existing cow track would not be eligible. The repair of an existing cow track would not be eligible nor any associated fencing. Any fencing on a stand-alone basis would not be eligible.

11. Mobile Sheep Handling facilities

The mere purchase of a set of pens that can be dismantled and re-erected would not constitute sufficient justification for grant; but in a situation where a mobile system is clearly required on a farm with parcels of land at a distance from one another they could be considered. Such a system could reduce movements of sheep with associated benefits to animal welfare. Inclusion of such a system on a grant application form would have to be supported by a SDP that clearly shows the benefits of a mobile system over and above a fixed location system on a farm that can justify the capital investment. In the majority of cases, the pens should not be the only item being funded; they should contribute towards more wide ranging improvements to the system of husbandry as a whole.

All investments that include mobile equipment will be considered on a case by case basis. The case for a mobile handling system would be strengthened if the applicant is able to identify fixed suitable locations for use.

In addition to the above, mobile handling systems must be able to demonstrate one or more of the following:

- animal welfare / environmental benefits (e.g. reduced movements of sheep)
- better efficiency of production (e.g. lambs can be drawn for slaughter more frequently leading to premium weights and grades being more regularly achieved).

12. Alternative Enterprises

On farm composting:

A farmer composting his/her own holding's Farm Yard Manure (FYM) for spreading on his/her own land – is **eligible** for FCC.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

A farmer composting waste from another source, e.g. on contract from the Local Authority, and spreading the compost on his/her own land – is **not eligible** for FCC.

A farmer composting waste from any source (own farm or other) and selling the compost as a commercial product – is **not eligible** for grant under FCC.

Renewable energy:

Eligible renewable energy projects can include resources from the sun, wind, water, organic waste or energy crops (excluding Short Rotation Coppice). Investments in renewable energy projects will be eligible for FCC where the energy or raw material is produced and used on-farm.

Domestic use will not be eligible for FCC, but where this forms part of an otherwise eligible project, a pro-rata apportionment could be considered.

13. Second hand equipment

The 1857/2006 EU regulations specify that the purchase of second-hand equipment may no longer be regarded as eligible expenditure.

14. Purchase of production rights, animals, land or plants

The purchase of production rights, animals, land (other than for construction purposes), plants (or the planting of plants) are not eligible investments.

Grant Size

The grant payable will always be the minimum amount necessary to allow the development to proceed. The % grant payable is at the discretion of the programme assessors and the grant panel; it will be dependent upon the quality of the proposal and how well it meets the objectives of the scheme. Decisions will be based primarily upon the assessors scoring and recommendations.

Assistance for individual applicants will not exceed 40%, with the exception of assistance for applications from young farmers, when it will not exceed 50%. A young farmer will be as defined as follows by Article 8 of Regulation 1257/1999 - (and **all** these specifications must be fulfilled) :-

- The farmer must be under 40 years of age (on the date the grant application from is signed)
- Be a principal partner in the business
- Be setting up on an agricultural holding for the first time
- Be applying for the grant within 5 years of setting up

If a Landlord wishes to contribute to the development, this can be presented as the tenant's contribution and can be deemed eligible as private funding.

The normal upper limit of grant aid per project will be £16,000. Each application will relate to one project. In exceptional cases, where the sustainability outcomes are considerable, an application in excess of this may be discussed with the Programme Manager. The upper limit of grant aid per farm will be £30,000 over the lifetime of the FCC programme.

NOTE: Projects may not be broken down into individual items in order to obtain higher levels of grant aid.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

b. Technical Consultancy Grants

Items eligible for grant

The FCC programme will pay a proportion of costs for you to buy in specialist advice to help you develop your business. However, **as from 30 June 2007, the grant cannot be paid directly to the farmer** but only as a subsidy to the supplier of the services. Technical consultancy will generally be eligible for grant aid if it:

- Enables you to implement a key action in the Sustainable Development Plan
- Facilitates innovation in products or production
- Offers specialist marketing assistance
- Assists the development of improved environmental or landscape management practice
- Grants will not be available to pay the fees for services which relate to your business' usual operating expenditure, such as routine tax or legal consultancy or advertising. Certain revenue projects will be supported when undertaken with groups of farmers. This could include the use of nutrient budgeting in a river or lake catchment to reduce diffuse pollution and improve and preserve the natural environment eligible under Article 4 3 (d) of Regulation 1857/2006. It cannot be used for routine soil sampling for individual farm businesses. It could also include the cost of tests performed by third parties to determine the genetic quality or yield of livestock.

Grant Size

Your technical consultancy support will meet no more than 50% of the total consultancy cost. In addition, there is a cap of £1,300 of grant for any project. Individual allocations may be pooled to support group work.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

APPENDIX 1

Farming Connect Cumbria Capital Grants and Standard Costs

Please note: The approach to Standard Costs outlined below relates to this programme only

Introduction

In the Criteria and Conditions FCC3 to which this is appended, a number of principles relating to grant aid are laid out. This appendix indicates the **principles** which will be applied in calculating the appropriate rate of support.

Rates for standard costs will be agreed, for application purposes, between the farm business adviser and the farmer – these will be carefully checked by the grant assessors and the quantification ratified on inspection.

Parity with other schemes will be a guiding principle when using standard cost approaches under FCC.

Value for money

In assessing the application, reference will be made to standard published costings for guidance. Prime sources of this information will include the *Farm Buildings Cost Guide* published annually by SAC. Currently the 27th edition is available. The 28th edition will be used when published.

Other reference points will include the Farm Management Handbooks published by SAC and Wye College (University of London). Other sources of advice and reference will include the Farm Buildings Design Unit, Bucksburn, Aberdeen.

Range of Eligible Items

The range of Eligible Items will be based on those listed in Section 3 of Booklet SC. 1 published by MAFF (1992).

Standard Costs

The Standard Cost is an estimate of the cost to the applicant of undertaking work in respect of labour, plant and materials. Standard Costs are intended for use where farmer's own labour is used; they do not allow any element of profit.

For a labour only grant, the labour rate will be based on the General Farm Worker's rate applicable on the date the application is received, unless a Craftsman's certificate is available.

A full schedule will be required from applicants to present estimated standard costs for approval and likewise for claims following completion.

In general the requirements listed in Booklet SC1 must be adhered to.

Issue 4 of FCC Criteria and Conditions. NOTE: all sections which relate to development (capital) grants are no longer applicable

However, as the Standard Cost Documentation (SC1 and SC2) has not been revised since 1992, the following approach will be adopted:

- ◆ The rate will be calculated on the basis of labour, plant and materials cost or alternatively labour only.
- ◆ Reference points to be used in devising rates will include the Measured Rates Section of the current Farm Buildings Cost Guide at the date of receipt of grant application.

Please note: Second Hand Materials:

In cases where second hand materials are used, standard costs cannot be applied except for stone and hardcore.

Specifications

All approved items whether on Actual or Standard Costs must conform to appropriate standards and Codes of Practice.

Where an applicant or contractor needs access to detailed information we advise consulting Libraries or the British Standards Institute at :-

**British Standards Institute, Customer Services, Linford Wood, Milton Keynes,
MK14 6LE Tel 0181 996 9001**