

Appendix A

EASTERN AGRI-TECH GROWTH INITIATIVE

BACKGROUND INFORMATION AND KEY GUIDANCE FOR COMPLETING THE GRANT APPLICATION FORM

1. The Eastern Agri-Tech Growth Initiative is designed to provide a significant boost to the food and drink sector, including the agriculture industry and research cluster by investing in new market and supply chain development and the development, application and commercialisation of Research and Development (R&D).
2. The Agri-Tech Growth Initiative aims to create/protect local jobs, starting from January 2014.

WHAT FUNDING IS AVAILABLE?

3. The Agri-Tech Growth Initiative has two main funds:
 - An **Agri-Tech Growth Fund** which will provide grants of between £10,000 and £150,000 to enhance business and jobs growth. The Fund is aimed at supporting improvements in productivity through the introduction of new products or processes and encourage improvements to existing product/ processes and energy efficiency and reducing waste.
 - An **R&D and Prototyping Fund** which will provide financial assistance to attract innovative and novel technologies. Planned research critical to the development of new products or processes within the Agri-Tech sector can be supported with grants of between £10,000 and £60,000 to cover the costs of research and development.
4. Both Funds will operate until the money has been allocated and spent). Annex A gives examples of categories that could be considered for financial support. A list of categories that would not be considered for financial support is also shown in Annex A.

AM I ELIGIBLE TO APPLY?

Agri-Tech Growth Fund

5. The key eligibility criteria are as follows:
 - a) Applications can only be accepted from a Small to Medium-sized Enterprise (SME) such as a sole trader, partnership, limited company or not for profit

business whose main business is in or related to the Agri-Tech sector. SMEs are defined as follows:

- a **medium-sized enterprise** employing less than 250 people and has an annual turnover not exceeding 50m Euro and/or an annual balance sheet total not exceeding 43m Euro.
- a **small enterprise** employing less than 50 people and has an annual turnover and/or annual balance sheet total not exceeding 10m Euro.
- a **micro-enterprise** employing less than 10 people and has an annual turnover and/or annual balance sheet total not exceeding 2m Euro.

To help potential applicants work out what their equivalent annual turnover and balance sheet amounts are in GB Pounds, please use the web link below. This will give potential applicants the current Euro/GB Pound exchange rate in place at the time when applicants are considering applying for support. The currency converter box will show the current month and year. Click on the bottom drop down and scroll down the list of currencies until you find “GB Pound Sterling”. Click on this and then click on the “convert” button. This will then show the appropriate rate.

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

- b) Applications will be considered from farmers and other small and medium sized businesses operating within the food and drink industry. This includes sectors such as food processing, as well as related industries such as process engineering, packaging, mechanical, electrical and software engineering. The scheme is also aimed at businesses that are involved in technologies which have the potential of application to the food and drink industry as the programme aspires to support innovation and its application to the food and drink industry. Each applicant will be expected to provide a clear indication of the beneficial change to productivity.
- c) Applicants should be established in product markets that are likely to grow strongly in the medium term.
- d) Applications cannot be accepted from subsidiaries of large companies.
- e) Applicants must be intending to create permanent long term employment through new jobs, or protecting existing jobs.
- f) The project and jobs created and/or protected with the funding given must be located within any of the following local authority areas:

Babergh; Breckland; Broadland; Cambridge City; East Cambridgeshire;
Fenland; Great Yarmouth; Huntingdonshire; Ipswich; Kings Lynn & West

Norfolk; Mid Suffolk; North Hertfordshire; North Norfolk; Norwich; Peterborough; Rutland; South Cambridgeshire; South Holland; South Kesteven; South Norfolk; West Suffolk (formerly Forest Heath and St Edmundsbury) ; East Suffolk (formerly Suffolk Coastal and Waveney; and Uttlesford

- g) Grants of between £10,000 and £150,000 are provided up to a maximum of 25% of the total cost of the project. Applicants must be able to clearly demonstrate that they are able to provide the remaining 75% of the project costs from other sources of private sector investment, such as the company's own resources, commercial loans or other types of investment. Applications can only be made if the applicant is either already in discussions with financial providers or has the minimum 75% of match funding available. No application can be approved until all the required match funding has been secured.
- h) Applicants must be able to demonstrate that they have been able to secure all the funding they require from other financial sources, such as a loan or another grant scheme.
- i) Applications will only be considered if an applicant can demonstrate that the project is investment ready and backed by a sound Business Plan and Project Plan:

Project Plan

A Project Plan is the key to a successful project and is the most important document that needs to be created when starting any business project. The Project Plan (sometimes referred to as a Gantt chart) needs to show all of the activities that will be undertaken during the project (divided in to work packages or defined stages); the milestones; timescales and resources required to deliver your project.

Business Plan

A Business Plan is a written document that describes your business. It covers objectives, strategies, sales, marketing and financial forecasts.

A Business Plan helps you to:

- clarify your business idea
- spot potential problems
- set out your goals
- measure your progress

It can also help to convince customers, suppliers and potential employees to support you.

You will need a Business Plan if you want to secure investment or a loan from a bank or other type of investor such as a business angel.

R&D and Prototyping Fund

6. The key eligibility criteria are as follows:

- a) The scheme is aimed at developing agricultural research and innovation. Applicants can be research institutes and SME businesses operating across the food and drink industry. This includes related industries such as process engineering and packaging. It also includes businesses that are involved in technologies, which have the potential of application to the agriculture and food industries such as electrical and mechanical engineering and software engineering. Funding is reserved for novel or new commercial applications of research that are currently not viable under current research budgets or corporate R&D priorities. Applicants must be able to demonstrate that R&D/prototyping activities would not otherwise happen without financial assistance. Annex B to these guidance notes sets out what types of research are eligible for support.
- b) Applications can only be accepted where the planned innovation/research activity will be carried out within any of the following local authority areas: Babergh; Breckland; Broadland; Cambridge City; East Cambridgeshire; Fenland; Forest Heath; Great Yarmouth; Huntingdonshire; Ipswich; Kings Lynn & West Norfolk; Mid Suffolk; North Hertfordshire; North Norfolk; Norwich; Peterborough; Rutland; St Edmundsbury; South Cambridgeshire; South Holland; South Kesteven; South Norfolk; Suffolk Coastal; Uttlesford and Waveney.
- c) Grants of between £10,000 and £60,000 are provided up to a maximum of 50% of the total project cost. Applicants must be able to clearly demonstrate that they have secured the required 50% match funding from other sources of private sector investment, such as the company's own resources, commercial loans or other types of investment. Applications can only be made if the applicant is either already in discussions with financial providers or has the minimum 50% of match funding available. No application can be approved until all the required match funding has been secured.
- d) Applications will only be considered if an applicant can demonstrate that the project is investment ready and backed by a sound Business Plan and Project Plan. The business plan must include confirmation that the applicant business has a management team with relevant background and that appropriate Intellectual Property Rights have been or are in the process of being secured.

PROJECT PROPOSAL

7. For both the **Agri-Tech Growth Fund** and **R&D and Prototyping Fund**, projects must be capable of bringing significant improvements in agricultural/food production.
8. Applicants will be expected to provide a clear explanation about the project and an indication of the beneficial change and impact that the project will bring to productivity in agriculture and food production.
9. Applicants must explain why the grant is needed and what would happen to the project if funding was not provided and what the impact would be on their business and the sector if the project did not proceed. Applicants can apply for a grant from both Funds either as a combined application or separate ones.
10. For both the **Agri-Tech Growth Fund** and **R&D and Prototyping Fund**, applications will only be considered if the applicants provides a sound Business Plan and Project Plan
11. For both the **Agri-Tech Growth Fund** and **R&D and Prototyping Fund**, applications must include a project cash flow forecast with and without grant support.

JOBS (FOR GROWTH FUND ONLY)

12. Applicants must note that the number and type of jobs are an important part of the overall consideration as to whether the application is successful.
13. Applicants must provide:
 - a) the number of new jobs that will be created as a direct result of the investment project; and,
 - b) (where appropriate) the number of jobs that will be protected as a direct result of the investment project.
14. Protected jobs are those jobs that will be maintained as a direct result of the project. Jobs can only be considered protected where there is a real threat that they will be lost in the near future if the project does not proceed. Jobs created/protected (even where these have the same job title) should be entered on separate lines.
15. The number of jobs should be based on a Full-Time equivalent which is equal to one Full-Time job or two Part-Time jobs where: Full-Time= 30 or more hours per week; Part-Time = more than 15 hours, but fewer than 30 hours per week.

16. Each job should be included for the two years that we would expect the job to be maintained. Where jobs are maintained for longer than two years and beyond FY 2019/20 please record this in the narrative box below the table on the application form.
17. We would also like to know whether the new and and/or protected jobs are skilled, semi-skilled or unskilled positions and what type of new skills will be created by the project and whether the project would benefit the sector through enhanced employment prospects in the supply chain; locally or nationally or both and how. The National Vocational Qualification levels set out in the table in Annex C to these guidance notes might be a helpful reference point.
18. Finally we would like to know: whether the proposed project will support any new skills or upskilling opportunities (and if so what these are); will the project displace jobs. If so how many, where and what type.

STATE AID

19. The grant offered under the Agri-Tech Growth Initiative is classified as de minimis aid under European Commission state aid rules. You are entitled to a total of no more than €200,000 (Euro) de minimis aid from all public sector bodies in any three year period. If in the course of preparing your Agri-Tech application you are aware of, or become aware of any other aid received from other public sector bodies in the last three years, you must declare this and provide full details of such aid in your application. The onus is on individual applicants to know and fully disclose their respective State Aid position.

HOW DO I APPLY?

20. All applicants for either Fund must complete the Pre-Qualification Questionnaire (PQQ) which will determine whether you are eligible to apply for financial support. If after completing the PQQ you are eligible, you will be sent an application form (via email) and invited to apply.

WHAT WILL HAPPEN TO MY APPLICATION?

21. Depending on the location in which the project will take place, your application form should be sent to the Cambridgeshire & Peterborough Combined Authority (CPCA) or Norfolk County Council's Economic Development Team, where skilled project assessors will assess your application on behalf of the CPCA and New Anglia LEP. Our assessors will review your information and ask any further questions they may have.
22. The assessment may require a visit to the premises of the applicant business/organisation by one of our team.

23. If the project meets the criteria set out above and the application completes the assessment, it will be passed to our Agri-Tech Programme Board (Board) with a recommendation to either approve or decline. The Board will make the final decision whether to support the application or not. The Board include business people with experience and knowledge of the food and drink industry, including research, farming and food processing. **All eligible applicants will be invited to the meeting where their particular project will be considered. Each applicant will have the opportunity to give a short presentation and take questions from/provide clarification to the Board. The Board judges each application fairly and on its own merits. Applications are not judged or ranked against other applications.**
24. It is possible (and permissible) to apply for more than one grant (both as a previous successful applicant and new applicants) and at the same time. All applicants must take account of their respective State Aid position (please see paragraph 19).
25. We will notify you of the Board's decision whether to support or decline your application as quickly as we can. If your application is approved we will finalise due diligence and provide you with an agreement to review and sign before the project begins. This agreement will set out the key milestones and the dates for you to claim your funding. If your application is unsuccessful, we will let you know why your application has been declined. There is no opportunity to appeal the Board's decision.
26. We will also inform you if your proposed project does not meet the criteria (as set out above), at either the Pre-Qualification stage or during the assessment. Please note that applications that do not meet the criteria will not be submitted to the Board.
27. We aim to reach a decision about your application within 45 working days from receiving a full application with all supporting documentation.
28. We will keep you informed of progress with your application throughout the process.

PAYMENT OF GRANT

29. For both the Growth and R&D Funds, all successful applicants will be sent the claim form template to complete for each claim. The claim form will usually be sent to each successful applicant via email. An example of the template is attached to the Grant Offer Letter.
30. All grant payments are paid in arrears against defrayed expenditure incurred and paid for by each successful applicant. This means that we cannot make any grant payments until each supplier/contractor has been paid by each successful applicant

before claiming grant from the Agri-Tech scheme. As well as completing the claim form, the successful applicant must also provide supporting documents that confirm that the project costs have been defrayed. This will usually include invoices, time sheets and confirmation that payment has made to suppliers/contractor (e.g. bank statements/remittance advice notices).

31. The frequency and timing of when claims will be submitted for payment will be agreed between the successful applicant and Agri-Tech Programme Manager and reflected in the Grant Offer Letter.
32. The successful applicant will show the total amount of eligible project costs incurred in that particular claim period and seek reimbursement of the appropriate level of grant e.g. for Growth projects it is 25% of total project costs incurred and for R&D projects it is 50%. The Grant Offer Letter will confirm the total amount of grant awarded for the duration of the approved project. If the successful applicant is VAT registered and can reclaim the VAT from HM Revenue and Customs, then claims for payment of Agri-Tech grant must be submitted minus the VAT element.
33. Successful applicants will receive payment(s) via the BACS payment system in to the business account nominated by the successful applicant.

WHO SHOULD I CONTACT TO DISCUSS MY APPLICATION?

In the first instance you should contact Martin Lutman, Agri-Tech Programme Manager, on 01480 277180, or via email at:

martin.lutman@cambridgeshirepeterborough-ca.gov.uk

Alternatively you can contact your business advisor or the Economic Development Team at your Local Authority.

WHO SHOULD I SEND MY APPLICATION TO?

If you are an applicant located in/intending to carry out the proposed project in any of the following local authority areas: **Cambridge City; East Cambridgeshire; Fenland; Huntingdonshire; North Hertfordshire; Peterborough; Rutland; South Cambridgeshire; South Holland; South Kesteven; West Suffolk (formerly Forest Heath and St Edmundsbury) and Uttlesford**, you should email an electronic copy of your application pack (with all supporting documents please) to

martin.lutman@cambridgeshirepeterborough-ca.gov.uk and also post a copy to:

Martin Lutman
Eastern Agri-Tech Programme Manager
Cambridgeshire and Peterborough Combined Authority
First Floor, Incubator 2
The Boulevard



Enterprise Campus
Alconbury Weald
Huntingdon PE28 4XA

If you are an applicant located in/intending to carry out the proposed project in any of the following local authority areas: **Babergh; Breckland; Broadland; Great Yarmouth; Ipswich; Kings Lynn & West Norfolk; Mid Suffolk; North Norfolk; Norwich; South Norfolk; East Suffolk (formerly Suffolk Coastal and Waveney)**, you should email an electronic copy of your application to paul.maces@norfolk.gov.uk and also post a copy to:

Paul Mace
Economic Development Manager
Economic Development & Strategy
Floor 2 County Hall
Martineau Lane
Norwich NR1 2SG

Please also email an electronic copy of just your application form to martin.lutman@cambridgeshirepeterborough-ca.gov.uk

ANNEX A:

Examples of Categories That could be Considered for Financial Support

- agriculture, production
- horticulture
- drink
- process engineering
- packaging
- land based fish farms
- environmental land management & other ecosystem services
- pollution control and management on farms and horticultural businesses.
- pest management of plant and animal pests for farms and horticultural businesses
- non-food crops including biofuel, biomass, algae, fibres, biochemicals etc.
- downstream food processing where there is a solution from primary production
- livestock (except equine)
- animal nutrition
- agri-informatics
- ICT including software for data acquisition/management, satellite technology/data engineering related to Agri-Tech, excluding upgrades- there needs to be some degree of innovation rather than just buying in new kit.
- education/training related to farm based activities
- improvements to supply chain such as maintaining safety/quality of product raw ingredient

Examples of Categories That Would Not be Considered for Financial Support

- equine/equestrian
- forestry
- landscaping
- golf courses and other leisure uses of turf technology etc.
- hunting, shooting etc.
- land based leisure
- marine fisheries
- farm shops
- holiday lets and other leisure accommodation
- events, wedding and conferencing facilities
- restaurants or other catering businesses

ANNEX B: TYPES OF ELIGIBLE RESEARCH

(a) “research organisation” means an entity, such as a university or research institute, irrespective of its legal status (organised under public or private law) or way of financing whose primary goal is to conduct fundamental research, industrial research or experimental development and to disseminate their results by way of teaching, publication or technology transfer. All profits must be reinvested in these activities, the dissemination of their results or teaching. Undertakings that can exert influence upon such an organisation, for instance in their capacity of shareholders or members of the organisation, shall enjoy no preferential access to the research capacities of such an organisation or to the research results generated by it;

(b) “fundamental research” means experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct practical application or use in view;

(c) “industrial research” means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts to complex systems, which is necessary for the industrial research, notably for generic technology validation, to the exclusion of prototypes;

(d) “experimental development” means the acquiring, combining, shaping and using existing scientific, technological business and other relevant knowledge and skills for the purpose of producing plans and arrangements or designs for new, altered or improved products, processes or services. These may also include, for instance, other activities aiming at the conceptual definition, planning and documentation of new products, processes or services. The activities may comprise producing drafts, drawings, plans and other documentation, provided that they are not intended for commercial use.

The development of commercially usable prototypes and pilot projects is also included where the prototype is necessarily the final commercial product and where it is too expensive to produce for it to be used only for demonstration and validation purposes. In case of a subsequent commercial use of demonstration or pilot projects, any revenue generated from such use must be deducted from the eligible costs.

The experimental production and testing of products, processes and services shall also be eligible, provided that these cannot be used or transformed to be used in industrial applications or commercially. Experimental development shall not include routine or periodic changes made to products, production lines, manufacturing processes, existing services and other operations in progress, even if such changes may represent improvements;

ANNEX C: JOBS

NVQ LEVEL	Academic NVQ Qualification Name	Vocational Qualification Name
Level 1	<ul style="list-style-type: none"> GCSE/SCE/O-Level grades below C (or fewer than 5 at grades A-C) CSE Grades below 1 1 AS level 	<ul style="list-style-type: none"> BTEC/SCOTBTEC/SQA First Certificate BEC/SCOTBEC-General Certificate/Diploma City & Guilds-Operative Awards CPVE Year 1 (Technician) LCCI/RSA/PEI- Elementary/First Level RSA Vocational Certificate Foundation GNVQ/GSVQ NVQ/SVQ Level 1
Level 2	<ul style="list-style-type: none"> 5 or more GCSE/SCE/O-Level grades at A-C CSE Grade 1 1 A Level 2 or 2 AS levels 	<ul style="list-style-type: none"> BTEC/SCOTVEC/SQA First Diploma City & Guilds Higher Operative/Craft LCCI Certificate/Second Level PEI Stage 2 Pitmans Intermediate Level 2
Level 3	<ul style="list-style-type: none"> 2 or more A Level passes 4 or more AS Levels 	<ul style="list-style-type: none"> BEC/SCOTBEC BTEC/SCOTVEC/SQA National OND TEC/SCOTEC City & Guilds Advanced Craft LCCI Third Level Diploma

		<ul style="list-style-type: none"> ▪ Pitmans Level 3 Advanced Higher Certificate ▪ RSA Stage 3 ▪ Advanced GNVQ/GSVQ ▪ Access to Higher Education Courses ▪ Advanced Awards in ESOL and foreign languages ▪ NVQ/SVQ Level 3
Level 4	<ul style="list-style-type: none"> ▪ Teaching ▪ First Degree 	<ul style="list-style-type: none"> ▪ BEC/SCOTBEC ▪ TEC/SCOTEC Higher Certificate/Diploma ▪ LCCI Advanced Level ▪ RSA Advanced Certificate/Higher Diploma ▪ Diploma in Higher Education ▪ Nursing (SRN) ▪ Certificate in Higher Education ▪ NVQ/SVQ Level 4
Level 5	<ul style="list-style-type: none"> ▪ Higher Degree 	<ul style="list-style-type: none"> ▪ Continuing Education Diploma ▪ Other high level professional qualification

ANNEX D: ANTICIPATED BENEFITS

The following list gives a selection of the type of benefits that would be expected to stem from the selected project to:

Farmers:

- Closer links and greater access to the skills and knowledge in agricultural colleges, higher education institutions and research institutes bringing new entrants to the sector and updating skills and practices
- A clearer understanding and greater access to the innovative new practices and technologies needed to improve productivity, competitiveness and environmental performance
- A quicker and easier framework for partnerships with the public sector

Agricultural technology companies:

- Stronger supply chain relationships with improved links to the research base from early stage research to later technology development
- A hub from which to access global markets
- Access to a trained and skilled workforce

Food processors, Manufacturers and Retailers:

- More resilient and stronger supply chains built on mutually beneficial priorities and collaborations
- Sustainable raw materials that match consumer demands

Research Institutes:

- Better recognition for research and its impact
- Increased collaboration and partnership opportunities with companies and the 3rd sector (including charities, voluntary organisations and social enterprises)
- Greater career opportunities and recognition