



The European Agricultural Fund
for Rural Development: Europe
investing in rural areas



Southern Shropshire LEADER Programme

Priority 3 - Support for rural tourism

Building rural tourism making the most of Shropshire's assets

More than 10 million tourists visit Shropshire overall (including Telford and Wrekin) each year, with the industry worth around £560 million to the economy annually. Given the growing importance that tourism has on the southern Shropshire economy, the Southern Shropshire LEADER programme aims to ensure that resources are properly focused on priority areas. The Southern Shropshire LEADER programme aims to support the key objectives set out in the Strategy and Action Plan for Sustainable Tourism in the Shropshire Hills and Ludlow 2011 – 2016 and the Bridgnorth Area Tourism Action Group's Plan, which together cover the whole Southern Shropshire LEADER area. The Southern Shropshire LEADER programme will look to support projects throughout the southern Shropshire area that deliver actions from these strategies and align with their guiding principles as described below:

- Building an integrated destination, linking the towns and the landscape.
- Ensuring effective partnership working between stakeholders at all levels.
- Growing tourism spending year round and throughout the area.
- Bringing out opportunities to enjoy the area's special qualities and distinctiveness.
- Being ambitious about the sustainable aspects of tourism.
- Providing a quality experience for all visitors.

Tourism activity supported by the southern Shropshire LAG will have to demonstrate a sustainable approach. The World Tourism Organisation and United Nations Environment Programme have defined sustainable tourism as *'tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities'*.

The kinds of tourism business start-up and business development projects that are likely to attract funding will be those developing high quality visitor products and services that link tourism providers, extend the tourism season and encourage visitors to stay.

Examples of possible activities the programme may support:

Support to help new tourism enterprises to establish, and existing enterprises to grow and upgrade (includes accommodation, attractions, catering and retail).

- Support to market tourism operations in conjunction with other enterprises, for example, how rural tourism business and local food outlets can work together.
- Co-ordinated approaches to marketing for the area's destinations.
- Collaborative work by locality or theme-based groups of tourism businesses
- Opportunities to extend the visitor tourism season.
- Tourism based on walking, cycling and other outdoor activities, including improving access connecting centres of population or businesses to natural or cultural sites.
- Accommodation upgrades.
- Support for events and festivals, including arts and crafts.
- IT and e-bookings systems, and innovative ways of providing visitor information and guidance.
- Promoting and developing green tourism, heritage and wildlife tourism.

Who can apply

These grants are for:

- new or existing micro or small businesses (this includes farm businesses diversifying into tourism activities);
- a community group that wants to invest in small-scale infrastructure to support and develop tourism;
- a group of rural tourist businesses working together to develop groups of activity;
- local authorities and administrations;
- public-private partnerships;
- Non-Governmental Organisations (NGOs);
- organisations in charge of tourist and recreational development, for example a destination organisation (that is, an organisation whose role is to promote tourism in a particular location or area).

Small-scale infrastructure for tourism covers a range of physical investments, such as small buildings for tourist information centres, visitor centres, shelters and signage along trails, and interpretations boards. It will also cover related small IT infrastructure such as e-booking systems for tourist services.

Grant limits

The maximum grant rate and amounts will depend on whether or not the project is a commercial project, normally the grant level will be between £2,500 and £35,000. Grants limits are:

- up to 40% of the eligible project costs for commercial tourist businesses and enterprises and awarded under de-minimis state aid rules.
- up to 80% for non-profit making projects that have a benefit in terms of value added to the wider local tourist economy, (for example events and festivals) and where there is some income to offset costs.
- up to 100% for projects that have a benefit in terms of value added to the wider local tourist economy where there is no income, such as paths, cycle paths, signage and interpretation boards for paths and trails, visitor information centres.

*[De minimis state aid regulations](#) mean that a maximum of €200,000 (currently around £145,000) of Public Funds is available to any one applicant in any rolling period of 3 financial years. If an applicant has had other public funding this may count towards the de minimis aid amount and reduce the amount of money they can apply for from LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit.

What is eligible

Eligible areas of support include:

- developing high quality visitor products and services that encourage visitors to stay longer, link tourism providers together and extend the tourism season;
- developing quality accommodation where there are clearly defined wider benefits to the local tourism economy and where activities do not displace existing accommodation;
- supporting tourism activities / niche products linked to quality local food, culture, sport heritage and rural crafts / assets such as heritage events and festivals promoting local culture;
- supporting shops, catering services - restaurants and cafes where there are wider benefits to the local tourism economy;
- developing access infrastructure to help people connect to the natural environment such as paths and cycle - ways;
- supporting tourism information centres and associated visitor information;
- developing and associated marketing and signposting of culture, leisure, heritage, visitor activities or attractions;
- supporting events and festivals; and
- developing innovative technology that enhance collaboration between businesses and provides information to attract visitors.

Costs could include:

- construction, acquisition (including leasing) or improvement to buildings;
- general costs linked to facilitating investments such as architect, engineer, consultation fees, but these can't add up to more than 15% of the project's total eligible costs;
- marketing and promotion (excluding printing) where these are part of a larger project;
- capital costs involved in supporting events and festivals (for example equipment hire, marquee hire, marketing development costs);
- short term salaries associated with project development of events and festivals; and
- intangible investments including, acquisition or development of computer software and acquisition of patents, licences, copyrights, trademarks.

What isn't covered

The following costs are also not eligible under priority 2:

- computers, software and printers used for the general running of the business such as processing orders and accounts;
- moveable fittings such as soft furnishing, beds, tables, chairs, curtains, television and audio equipment, crockery, cutlery, small kitchen equipment(eg toasters, kettles, food mixers etc) ;
- tourism brown signs and motorway signage;
- landscaping – unless it is part of 'making good' for an application for a major attraction or accommodation expansion. In which case, only the landscaping contractor's fees would be eligible excluding the costs of plants, seeds, turf or trees;
- projects to solely meet statutory requirements for disabled access, fire regulations or emergency exits, unless the costs of providing access, exit and complying with regulations forms part of the normal costs for a major expansion project; and
- salaries and office overheads of applicant staff employed to run events and festivals.
- costs that are incurred before the date of the grant funding agreement;
- costs for standard agricultural equipment and standard agricultural buildings;
- costs for standard agricultural inputs, like animals, seed, feed, fertiliser, sprays and annual crops;
- costs of agricultural production rights and payment entitlements;
- costs of getting any consents needed, for example planning permission;

- costs for anything that's a standard industry obligation, for example requirements of the Basic Payment Scheme <https://www.gov.uk/government/collections/basic-payment-scheme>;
- financial charges, such as interest, fines and maintenance;
- reclaimable VAT;
- any items already subject to EU or national funding;
- projects the applicant is required to do to meet a legal or statutory requirement;
- like for like replacements of existing items such as buildings, equipment and machinery;
- costs connected with a leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges;
- salaries and running costs for commercial business applicants;
- long term salaries and running costs for community or not for profit projects;
- like for like relocation of the business;

Note - if the business needs to relocate in order to expand it can only apply for funding towards the costs of the expansion.

- own labour;
- in-kind contributions;
- Renewal of licence fees, subscriptions and service charges;
- standard computers, standard computer software for management of accounts, and mobile telephone equipment;
- costs for plant and equipment directly associated with the generation of energy from renewable sources which are supported through the [Renewable Heat Incentive \(RHI\)](#) or [Feed-In Tariffs \(FITs\)](#);
- Standard, non-specialised vehicles, such as cars, (including 4 X 4), motorbikes, people carriers (minibuses are eligible under Priority 4 – Rural services);
- Contingency budgets.

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