



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



Southern Shropshire LEADER Programme

Priority 4 – Provision of rural services

Improving rural services to support business growth and development

These grants are for projects that aim to alleviate some of the difficulties faced by rural communities, particularly the lack of access to services and the provision of infrastructure. Projects should make a contribution to growing the local economy. They could include, the development of community buildings, public spaces, or cultural or tourism amenities

In recent times rural communities especially have experienced significant social change. An increasing number of villages in southern Shropshire struggle to offer adequate services for the local community. This forces people to travel further out of their community to access services such as doctors' surgeries, schools, shops and post offices. For many, private transport, either a car or taxi, is the only way of accessing these services.

The Southern Shropshire LEADER programme supports projects that create the conditions for resilient, economically active rural communities and an environment where businesses can thrive. This can only be achieved through communities that have strong basic services.

Examples of possible activities the programme may support:

- Supporting innovative and co-operative approaches to addressing declining rural services and essential local businesses such as shops, pubs and post offices.
- Support for innovative projects to address the problems associated with limited public transport – car sharing schemes, use of social media etc.
- Support for local communities to reduce dependency on fossil fuels and the impact of climate change.

Who can apply

These grants are for:

- new or existing micro or small businesses;

- rural community organisations;
- charities
- public or private entities working in partnership with small and micro business and rural community groups; and
- local authorities (in exceptional circumstances, where for example the project outcomes are enhanced by their inclusion, or the local authority can show that the project and the funding required is in addition to their statutory requirement to provide rural services).

Grant limits

The normal size grant will range from £2,500 as a minimum to a maximum of £40,000.

The maximum grant rate is 100% for community led investments which are non-profit making, but have a benefit in terms of value added to the wider local economy.

Community led commercial projects which are profit making can also receive up to 100% grant rate, but this will be awarded under the de minimis state aid rules (see below).

State aid rules

*[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 under LEADER. Please note that Basic Payment Scheme and Countryside Stewardship payments do NOT count towards the de minimis limit.

What is eligible

Types of projects include:

- plans for the development of municipalities and villages in rural areas and their rural services;
- creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy systems which would not be eligible for Renewables Heat Incentive (RHI) or Feed-In-tariffs (FITs);
- setting up, improving or expanding of essential rural services for the local community;
- projects that involve visits to farms for educational purposes so that the public has a greater understanding of the countryside and rural areas;
- small-scale village infrastructure projects, including amenity buildings and village access (for example footpaths);
- community renewable energy production and distribution networks;

- developing village infrastructure and access to key services, which may include tourism projects that increase services for the local community and contribute to village renewal;
- setting-up, improving or expanding essential services (for example transport) for the local community.

Costs could include:

- construction, acquisition (including leasing) or improvement to buildings;
- the purchase or hire purchase of new machinery and equipment;
- 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.

What isn't covered

- computers, software and printers that are used for the general running of a business, such as processing orders and accounts;
- salaries associated with the on-going running of projects;
- access to broadband services;
- 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 plants, seeds, turf or trees;
- projects to meet statutory requirements for disabled access, fire regulations or emergency exits, unless the costs of providing access, exit and complying with regulations form part of the normal costs for a major expansion project.
- 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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