

## Cotswolds LEADER Priority 2

### Support for micro and small businesses (non-agricultural) and farm diversification



The maximum grant that Cotswolds LAG will offer is £50,000\* and the minimum £5,000. **\*For exceptional projects with high job outputs, grants from £50,000 to £100,000 will be considered.** The maximum grant rate is capped at 40% of the eligible project costs.

Funds under this priority will be used to provide grants for:

- developing or starting rural micro and small businesses; and
- farm diversification projects, e.g. farm shops or contracting services using technologies that are eligible under priority 1a or 1b.

Grants can be used for starting a new business, developing an existing business, or diversifying an agricultural or horticultural business.

Types of business could include, amongst others:

- processing and marketing of agricultural products;
- social service provision;
- developing craft and handicraft activities;
- setting up an IT business; and
- leisure, recreational and sport activities.

**Costs could include:**

- construction, acquisition (including leasing) or improvement to buildings;
- the purchase or hire purchase of new and second hand machinery and equipment (please see further guidance on hire purchase and second-hand equipment on page 2 of the handbook);
- general costs such as architect, engineer and consultation fees (restricted to a maximum of 15% of total project costs);
- intangible investments including, acquisition or development of specialist computer software;
- acquisition of patents, licences, copyrights, trademarks

**What isn't covered** - In addition to the list of costs which can't be claimed on pages 5 and 6 of the handbook, the following are also not eligible under priority 2

- moveable fittings such as soft furnishing, beds, tables, chairs, curtains, television and audio equipment, crockery, cutlery, small kitchen equipment (e.g. toasters, kettles, food mixers etc.);
- computers, software and printers used for the general running of the business;
- consumables;
- if funding agricultural contractors, equipment for standard agricultural or horticultural practice, including any of the ineligible items listed under Priority1.

**Refer to the Cotswolds LEADER Handbook for more details on eligible costs and the Application Process available at [www.cotswoldsleader.org.uk](http://www.cotswoldsleader.org.uk)**

## Costs which can't be claimed

The following are not eligible for **any application under any priority**:

1. **costs that are incurred before the date of the grant funding agreement;**
2. costs for standard agricultural or horticultural inputs, like animals, seed, feed, fertiliser, sprays and annual crops;
3. costs of agricultural production rights and payment entitlements;
4. costs of getting any consents needed, for example planning permission;
5. 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>;
6. financial charges, such as interest, fines and maintenance;
7. reclaimable VAT;
8. any items already subject to EU or national funding;
9. projects the applicant is required to do to meet a legal or statutory requirement;
10. like for like replacements of existing items such as buildings, equipment and machinery;
11. costs connected with a leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges;
12. salaries and running costs for commercial projects;
13. long term salaries and running costs for community or not for profit projects;
14. the delivery of training activities

*Note - Some limited salary costs or running costs MAY be eligible in limited and specific circumstances. Eligibility of these costs will be considered on a case by case basis and will only be considered where the business need is clearly articulated and directly linked to supporting rural jobs and growth. Please talk to the Programme Team for the Cotswolds LAG, before submitting an outline application if your project involves salary costs or running costs.*

15. 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.*

16. own labour;
17. in-kind contributions;
18. renewal of licence fees, subscriptions and service charges;
19. standard computers, standard business computer software e.g. for management of accounts, and mobile telephone equipment;
20. costs for plant and equipment directly associated with the generation of energy from renewable sources;
21. standard, non-specialised domestic vehicles, such as cars, (including 4 X 4), motorbikes;
22. moveable fittings such as soft furnishing, beds, tables, chairs, curtains, television and audio equipment, crockery, cutlery, small domestic kitchen equipment (e.g. toasters, kettles, food mixers etc.);
23. contingency budgets.

**If you have any queries about eligibility then please contact**

James Webb, Programme Manager on 01451 862033

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or email [cotswoldsleader@cotswoldsaonb.org.uk](mailto:cotswoldsleader@cotswoldsaonb.org.uk).