

# Rural Development Programme 2014 – 2020



## Farm Business Improvement Scheme - Capital Tier 2 (Tranche 1)

### Explanatory Booklet



Department of  
**Agriculture, Environment  
and Rural Affairs**  
[www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)



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

# Farm Business Improvement Scheme - Capital (FBIS-C) Tier 2 (Tranche 1) Explanatory Booklet

**Please read this booklet carefully before completing the application form.**

Copies of this document can be made available, on request, in alternative formats e.g.

- Large Print
- Audio CD
- Braille
- Computer Disc

Tier 2 of the FBIS-C is administered by the Department of Agriculture, Environment and Rural Affairs (DAERA). If you require assistance please contact DAERA at:

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<b>Contents</b>	<b>Page</b>
1. Introduction	1
2. Eligibility	2
3. Areas of investment	6
4. How much grant is available?	7
5. Application Process for Tier 2 of FBIS-C	7
6. How to apply	12
7. How will my application be assessed?	14
8. Successful applications	17
9. Unsuccessful applications	19
10. How to claim	20
11. Payment of claims	21
12. Penalties and reductions	21
Annex A – Examples of Potential Investments	26
Annex B – Ineligible expenditure	27
Annex C – Environmental Considerations	28
Annex D – Indicative Timeline and Checklist for Applicants	29
Annex E – Selection Criteria Scoring	31
Annex F – Procurement (after project is approved )	32
Annex G – Relevant legislation	34
Annex H – Useful sources of information	36

# 1. Introduction

The Farm Business Improvement Scheme (FBIS) is an important part of the Rural Development Programme (RDP) 2014-2020, which aims to improve the competitiveness of the agri-food industry.

DAERA has developed the FBIS as a direct response to a recommendation made by the industry-led Agri-Food Strategy Board (AFSB) in Going for Growth, its strategic action plan for the agri-food sector. The FBIS has been established in recognition of the importance of farming to the Northern Ireland economy and demonstrates the Executive's commitment to supporting the agri-food sector. FBIS includes a package of measures aimed at knowledge transfer, cooperation, innovation and capital investment to support sustainable growth in the agriculture sector.

The Farm Business Improvement Scheme – Capital (FBIS-C) is part of the overarching FBIS. It is funded under Measure 4 (Business Investment Scheme) of the RDP 2014-20 and has two tiers – **Tier 1 and Tier 2 governed by the legislation listed at Annex G**. The FBIS-C is designed to take account of differing levels of planned investments by farm businesses.

Tier 2 of FBIS-C aims to improve the competitiveness of Northern Ireland's farm businesses by providing grants for capital investment across five key themes - (1) Contribution to sustainable growth (2) Environment, Weather Resistance and Climate Change, (3) Animal and Plant Health, (4) Occupational Health and Safety and (5) Production and Resource Efficiency.

Before making an application, applicants should consider which Tier (see below) is the most appropriate to meet their farm business requirements in respect of capital investment. **Please note that you cannot apply to both Tier 1 and Tier 2 during this tranche of funding to the FBIS – C.**

- **Tier 1** is designed to support **farm sustainability** and provides grant to purchase equipment and machinery from a pre-defined list of eligible items. It is for projects costing £5,000 to £30,000 (eligible costs), based on reference pricing. The grant rate is 40% of eligible costs. **The maximum grant available to a successful applicant is £12,000 over the lifetime of the RDP 2014-2020.**
- **Tier 2** is designed to support **farm transformation** and provides grants for projects costing over £30,000 (eligible costs). It focuses on larger scale investments to encourage a step change and drive transformational investment in future proofed, fit for purpose, modern infrastructure and equipment. The grant rate is 40% of eligible costs. **The maximum grant available to a successful applicant is £250,000 over the lifetime of the RDP 2014-2020.**

The total maximum grant available to a successful applicant availing of both Tier 1 and Tier 2 is £250,000 over the lifetime of the RDP 2014-20.

This explanatory booklet provides an overview of Tier 2. Please read it carefully as it contains important information about Tier 2 (Tranche 1).

DAERA reserves the right to make changes to the FBIS-C requirements during the lifetime of the scheme.

## 2. Eligibility

To be eligible applicants to Tier 2 must meet the following eligibility criteria and scheme rules:

	<b>Eligibility Criteria</b>	<b>What does this mean?</b>	<b>How can I meet the eligibility criteria?</b>
1	<b>Registered Farm Business:  Possession of a valid DAERA Category 1 Farm Business ID Number</b>	All applicants must have a DAERA Category 1 Farm Business ID Number	<p>A registered farm business is one that is engaged in agriculture or horticulture and which has satisfied the criteria for the award of a DAERA Category 1 Farm Business Identifier (ID) Number.</p> <p>If the applicant does not have this ID Number, information on how to apply for one can be found on the DAERA website using the following link:</p> <p><a href="https://www.daera-ni.gov.uk/publications/dard-identification-numbers-business-customers-herd-and-flock-keepers">https://www.daera-ni.gov.uk/publications/dard-identification-numbers-business-customers-herd-and-flock-keepers</a></p>

2	<p><b>Completion of a Making it Safer Self Assessment</b></p>	<p>All applicants <b>must complete</b> the ‘Making it Safer’ Self Assessment and provide a Certificate / Action Plan as confirmation of completion.</p> <p>Applicants will be required to answer questions relating to their own farm on Slurry, Animals, Falls and Equipment (SAFE).</p> <p>A certificate / action plan will be issued once the applicant has completed the self assessment. Applicants will need to save this digital certificate / action plan (to a computer rather than a mobile device) as it is required as part of the overall application.</p>	<p>Applicants will need access to a computer with internet access.</p> <p>The applicant can meet this eligibility criterion by completing the <u>online</u> self assessment at the following link:  <a href="http://www.farmsafenet.org/Safer">http://www.farmsafenet.org/Safer</a></p> <p>The completed certificate / action plan must be submitted as part of the overall FBIS-C Tier 2 application.</p> <p><b>It is essential that the name of the applicant on the DAERA Category 1 Farm Business ID Number is entered onto the ‘Making it Safer’ Certificate / Action Plan or it will not be accepted and the application will be deemed ineligible.</b></p>
3	<p><b>Completion of a robust, viable and sustainable business plan</b></p>	<p>All applicants must complete a robust, viable and sustainable business plan, which includes:</p> <ol style="list-style-type: none"> <li>1. details of the proposed project including estimated project costs</li> <li>2. how the applicant plans to implement it</li> <li>3. objectives and outcomes they intend to achieve</li> <li>4. how Health and Safety issues have been addressed</li> <li>5. what environmental mitigations have been considered</li> <li>6. the financial objectives set over the period of the plan</li> <li>7. detailed financial projections to support the business plan</li> </ol>	<p>The applicant can meet this eligibility criterion by completing the FBIS-C Tier 2 Business Plan template.</p> <p>The business plan is an important source of information about the project and the FBIS-C template is designed to cover specific information required to assess and score applications. Plans should be clear, concise and complete.</p> <p>The template comprises two sections – a narrative section and a Cashflow Calculator. Both are available on the DAERA website. Guidance notes are available to assist with completion of the narrative part of the plan.</p>

	<b>Scheme Rules</b>	<b>What does this mean?</b>	<b>How can I meet the scheme rules?</b>
<b>4</b>	<b>Indication of Support Letter from bank or lender</b>	<p>All applicants <b>must submit</b> a completed Indication of Support Letter from a bank or other lending institution.</p> <p>Applicants do not have to borrow the funds from a bank or lending institution. However, should you decide to proceed with an application, the letter provides some reassurance to the applicant, the financial institution and DAERA that the applicant will be able to access the funds necessary to complete the proposed project including VAT and until the applicant receives payment of the grant.</p> <p>Banks or other lending institutions will first want to consider your business plan. You should bring your completed business plan to your bank or lending institution when you request the letter. It should be noted that banks have indicated that the process of producing this letter could take several weeks.</p> <p>The completed Indication of Support Letter must be submitted as part of the FBIS-C Tier 2 application.</p>	<p>The applicant can meet this rule by downloading the template Indication of Support Letter from (a) the online application system on the European Union Funding Programmes Grants Application website - <a href="http://www.eugrants.org">www.eugrants.org</a> or (b) at the following link:</p> <p><a href="https://www.daera-ni.gov.uk/publications/daera-fbis-capital-indication-support">https://www.daera-ni.gov.uk/publications/daera-fbis-capital-indication-support</a></p> <ul style="list-style-type: none"> <li>• Some banks and lenders may wish to use an alternative letter format, which is acceptable, provided the following information is provided: Name, address of client and 6 digit DAERA Category 1 Farm Business ID number (to be used by DAERA to cross reference the application);</li> <li>• Confirmation that the client has managed their account effectively and or complied with the terms and conditions of the account;</li> <li>• Future funding requirements have been discussed in relation to purchase of items under the Farm Business Improvement Scheme – Capital;</li> <li>• Confirmation that, at present, the client has access to sufficient funds, or could have access to sufficient funds, to purchase</li> </ul>

			<p>equipment (including VAT) under the Scheme – prior to a grant being paid by DAERA (should the client be successful in obtaining an offer of grant).</p> <p>The letter does not have to be in the name of the applicant but it should be in the name of a person specified on the Business ID.</p>
5	<b>Eligible project costs must be greater than £30,000</b>	Tier 2 is for projects with eligible costs greater than £30,000 – unlimited (Net of VAT) and is primarily for construction projects and the purchase of higher value equipment linked to the needs in the farmer’s business plan.	<p>Submit an application for proposed eligible project costs greater than £30,000 (Net of VAT) that meet the business needs identified in a robust business plan.</p> <p>At application stage applicants must provide two quotes for each of the estimated project costs specified in the business plan.</p> <p>The Department is required to make a comparison of different quotes to determine reasonableness of the estimated project costs. Question 13 of the narrative section of the business plan refers.</p>
6	<b><u>Construction projects:</u></b> <b>Farm Investment Planner Map</b>	The DAERA Farm Investment Planner map is an online tool designed to assist with mapping potential capital construction investment on the farm. It must be used to label existing or proposed buildings or mark those for demolition. The approximate dimensions of buildings will be displayed including the length of each wall and the area of the building. This is not	<p>Applicants will need access to a computer with internet access.</p> <p>Use the Farm Investment Planner map tool, must be accessed through DAERA Online services <u>for all construction projects</u>.</p> <p>A Government Gateway ID is required to access the DAERA online services. Guidance on how to apply for a Government Gateway can be found on the DAERA website.</p>



		<p>intended to replace any planning permission drawings, detailed architectural or engineer drawings, costs or measurements taken on the ground but it will assist with scoping out the general layout of the potential construction project.</p>	<p>A link to online services can be found under the quick links section on the DAERA homepage at <a href="http://www.daera-ni.gov.uk">www.daera-ni.gov.uk</a>.</p> <p>The completed map must be submitted as part of the overall FBIS-C Tier 2 application.</p> <p>Problems accessing the map can be directed to the DAERA Online Services helpdesk on 028 9442 6699 or <a href="mailto:onlineservices@daera-ni.gov.uk">onlineservices@daera-ni.gov.uk</a>.</p>
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### 3. Areas of investment

The focus of Tier 2 is on larger scale, whole farm investments to encourage a step change in the agriculture and horticulture sectors, and drive sustainable growth through transformational investment in future proofed, fit for purpose, modern infrastructure and equipment.

1. Projects are encouraged where the proposed investment is transformational relative to the current scale of the farm business and contribute to the FBIS-C Tier 2 Themes: Contribution to sustainable growth
2. Environment, Weather Resistance and Climate Change
3. Animal and Plant Health
4. Occupational Health and Safety and
5. Production and Resource Efficiency

Eligible costs include construction and purchase of new equipment and machinery (exclusions apply). Grant support is available only towards purpose built, future-proofed, **new buildings** and **new items of equipment** that are integral to the Tier 2 project as described in the applicant's business plan. The grant payable is 40% of eligible project costs upwards of £30,000 (net of VAT).

However, grant is also available for new equipment that is retrofitted into existing buildings, for example, a new milking parlour could go into an existing shed, provided an engineer's certificate is submitted to confirm the building is fit for purpose to support the new equipment.

**Examples of construction investments and new items of equipment that are likely to contribute to the 5 key FBIS-C Tier 2 Themes are set out, by farming sector, in Annex A. Annex B lists the type of expenditure that cannot be funded.**

Items of equipment from the Tier 1 List of Eligible Items can be supported under Tier 2 if they are integral to the Tier 2 project as described in the applicant's business plan. However, **it is not possible to seek Tier 2 grant support by solely buying multiple Tier 1 items to achieve over the £30,000 threshold (eligible project costs).**

## **4. How much grant is available?**

**The maximum amount of grant available per farm business over the lifetime of the RDP 2014 -20 is £250,000.**

The grant rate is 40% of eligible project costs for projects costing from £30,000 (net of VAT).

If successful, the maximum grant for the project will be specified in a Letter of Offer.

**VAT - If the applicant farm business is not VAT registered, applicants may seek grant on the VAT element of eligible items. However, the total amount of grant applied for must be based on eligible project costs of at least £30,000 (net of VAT) but not more than £250,000 (grant). Successful applicants will be expected to provide a signed declaration confirming that the business is not registered with HM Revenue and Customs for reimbursement of VAT.**

## **5. Application Process for Tier 2 of FBIS-C**

Tier 2 will require careful advance consideration and preparation by farmers prior to submission of an application, including the development of a robust business plan. Applicants will be responsible for demonstrating that their proposed project is viable and contributes to the objectives of the scheme. DAERA will use selection criteria and a minimum threshold score to decide which projects should be funded.

### **Business Plan for Tier 2**

All applicants must complete a robust, viable and sustainable business plan using the FBIS-C Tier 2 business plan template. The FBIS –C Tier 2 business plan comprises two parts – a narrative section and a Cashflow Calculator. It has been designed to gather specific information required to assess and score applications.

Business plans must be clear, concise and complete as inaccuracies or information gaps will delay the assessment process. The completed business plan is part of the overall FBIS-C application. All information will be treated in confidence.

The business plan template, including cash flow calculator and guidance for completion of the narrative section of the plan, are available on the DAERA website - <https://www.daera-ni.gov.uk>.

**Business planning training will be available for potential applicants from January 2017.** Applicants will not be required to complete this training to submit an application but it is recommended that they attend. Further training will be provided during 2017 for farmers interested in applying to tranche 2 of Tier 2.

### **Estimated Project Costs (pre approval of application)**

Q13 of narrative section (and guidance notes) of business plan refers.

Unlike FBIS-C Tier 1 there is no specific list of eligible items of expenditure for Tier 2 however items of equipment from the Tier 1 List of Eligible Items can be purchased under Tier 2 if integral to the overall project.

Applicants must submit a minimum of 2 quotes for each item of expenditure (plant and equipment, construction costs and professional fees). This is required to help determine reasonableness of costs as per Article 48 of EU Implementing Regulation (EU) 809/2014. The regulation states that that this should be done using a suitable evaluation system such as a comparison of different offers (e.g. quotes). The lowest quote should be used to compile the estimated project costs.

If a project includes an item(s) of expenditure listed in the FBIS-C Tier 1 List of Eligible Items then applicants can submit the Item Code for that item. The reference price for that item(s) will be used to demonstrate reasonableness of cost. The list of eligible items can be viewed at [www.countrysideservices.com](http://www.countrysideservices.com) or <https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-eligible-items>.

Quotations should be recent (i.e. not more than 6 months old), be on the suppliers headed paper, be dated and include the supplier details (e.g. name, address, contact number, e-mail address, VAT No etc) and itemised cost and description for goods and services included in the quoted price.

Quotations from family members, relatives or someone related to the farm business are not allowed.

If there is only one potential supplier of equipment applicants will be required to demonstrate that there is only one supplier and this will be checked by DAERA.

For the purposes of the Scheme quotes in foreign currencies should be converted to Sterling using European Central Bank exchange rates for the date of the quote - <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>.

## Construction Projects

Transformational investments on farms can span a generation so a minimum design life of 20 years is required for construction projects funded under the FBIS-C, in line with British Standards which exist for many types of agricultural buildings. These set out the minimum design requirements for farm buildings to meet this design life. They need to be interpreted by an engineer to ensure they are adapted to the bespoke nature of on-farm construction and the variation in sites that exist across Northern Ireland.

Any agricultural building that is funded must remain in use for the purpose approved for a period of 5 years after the date of the final payment of grant.

## Environmental considerations

**Further guidance on environmental considerations will be made available on the DAERA website as explained at Annex C to this Explanatory Booklet.** This will address emissions, manure, pesticide and fertiliser use, and other steps applicants can take to mitigate any harmful impacts on soil, water, air quality and biodiversity.

## Chartered Engineer

If the project involves construction, you should first appoint a suitably qualified chartered engineer. The engineer will prepare a scale drawing of your construction project – to the appropriate British Standard or EN code. This initial drawing will be an outline drawing of the building – plan and elevation. This will be based on site visits and the requirements for the building. The Chartered Engineer must be:

- a) qualified in Civil or Structural Engineering;
- b) currently registered as a Chartered Engineer;
- c) a corporate member of a recognised Engineering Institution (with current membership – it cannot have lapsed);
- d) have appropriate Professional Indemnity/Insurance in place.

## **Chartered engineer fees incurred prior to Letter of Offer cannot be grant aided under FBIS-C.**

In cases where an application for Tier 2 of FBIS - C is approved for grant then the fees (i.e. for post approval costs) for a chartered engineer or technical costs may be grant aided. For this to be done applicants must have submitted 2 quotations at application stage. DAERA will consider any request to retain the services of the appointed chartered engineer post approval on the basis of the quotes submitted during the application stage - to allow for continuity of service. **The maximum grant that can be approved for technical costs is 10% of the approved eligible costs of the project.**

## Farm Investment Planner Map

The Farm Investment Planner map is an on-line tool which must be used at the initial stages of farmyard construction planning. **In the situation where solely new equipment is to be placed in an existing building (no planned construction), then the planner is not required.** It allows buildings of specific dimensions to be sketched in relation to the current range of buildings. This allows the site and logistics of various options to be investigated. A final planned site should be decided on and drawn to the exact specifications that are planned for the new building prior to application. The planner can be accessed in the business tools section of the CAFRE website (with government gateway access). A link to online services can be found under the quick links section on the DAERA homepage at [www.daera-ni.gov.uk](http://www.daera-ni.gov.uk).

## Planning Permission and Other Regulatory Consents

Certain construction projects under FBIS-C may fall within Permitted Development Rights, while others will require planning permission, and possibly other regulatory consents and licences, such as:

- Pollution Prevention and Control licence for larger pig or poultry investments.
- Discharge Consent
- Consent to remove hedgerows – if new build is to be located where an existing hedgerow is removed
- NIEA approval where construction of a new slurry facility or silo is within 10m of an existing water course of 50m from a well.

**Applicants will have to provide evidence that their proposed project is fully compliant with planning and any other relevant consents and licences.**

Applicants should consider whether the project requires planning permission. If a project requires planning permission applicants must have at least applied for approval **before** submitting a Tier 2 application for grant. Applications to Tier 2 will only be accepted if planning permission for the project has either been applied for, or has already been obtained. If planning permission for the project is in place applicants should provide a copy of the planning permission documentation as part of their FBIS-C Tier 2 application. If planning permission for the project has been applied for applicants must provide a copy of the planning application as part of their FBIS-C Tier 2 application.

Planning permission for the project premises, along with any other relevant consents and licences, must be obtained (and evidence supplied to DAERA) before a Letter of Offer will be issued.

Please ensure planning officials are made aware that the project is being considered for grant assistance.

DAERA may close an application if planning permission and or any other relevant consents and licences are not in place within a specified period. Any further consideration of a project would require the submission of a new application.

The cost of obtaining planning permission for the project and other statutory permissions will not be grant aided under Tier 2 of FBIS-C.

### **Permitted Development**

Under the planning system some construction projects could fall under 'permitted development' (i.e. they are below certain size thresholds and other parameters) and will not normally require planning permission. A person intending to carry out a project which they believe falls under permitted development may choose to apply for a Certificate of Lawful Use / Development ("Certificate of Lawfulness") at their own expense. However, applicants, whose projects appear to fall under permitted development rights may also choose to apply to FBIS-C Tier 2 without a Certificate of Lawfulness, subject to an environmental assessment by DAERA.

Your application will undergo a screening process to identify potential environmental issues, based on screening criteria, for example proximity to sensitive areas or hydrological connection. Applications which are assessed as having no likely significant effects will progress through the Tier 2 application process. Applications which are assessed as having significant effects will be rejected and you will be advised that you must go through the formal planning process.

### **Other requirements for construction projects**

**Applicants will be responsible for ensuring that they are aware of all legislative requirements which may affect their project.** Applicants will be required to sign a declaration that, if successful, their project will be carried out in accordance with relevant legislative requirements and that only competent contractors will be used. There are a range of other legislative requirements, for example:

- Construction (Design & Management) Regulations (Northern Ireland) 2016 – this legislation came into effect on 1 August 2016 and places legal obligations on anyone involved in a construction project in regard to co-ordination of the work and management of risks. This legislation is promoted and enforced by the Health and Safety Executive for Northern Ireland (HSENI).
- CE Marking - this is required for various products under EU legislation including, for example, structural steel and certain agricultural machines. The marking shows that the manufacturer takes sole responsibility for ensuring that a product conforms to all legal requirements e.g. in relation to health, safety and the environment. Market Surveillance Authorities are responsible for enforcing CE marking in the UK. These include, among others, the Northern Ireland Trading Standards Service, and HSENI.

Constructionline is a service which assesses and monitors company information in the construction industry, or the Safe-t-Cert scheme which provides independent certification of health and safety management for the construction industry. While applicants may choose to use this service for reassurance, it will not be a requirement of the FBIS capital scheme. **The responsibility will rest with applicants to check that contractors are, for example, properly skilled and financially sound.**

## 6. How to apply

DAERA strongly encourages farm businesses to make an application online using the European Union Funding Programmes Grants Application website - [www.eugrants.org](http://www.eugrants.org) To use the online system applicants will require access to a computer with internet connection and will need to register to use it. Applicants should keep a note of their username and password for future reference.

Paper applications and applications submitted using email will be accepted but will not benefit from the extra score awarded (possible 12 marks) to applications submitted using the European Union Funding Programmes Grants Application website - [www.eugrants.org](http://www.eugrants.org). Please refer to Section 7 - How will my application be assessed?

Applicants can request a paper or electronic application form by emailing the FBIS-C Tier 2 administration team on [tier2@daera-ni.gov.uk](mailto:tier2@daera-ni.gov.uk) or telephoning 0845 0267535.

The application comprises various information requirements and documents relating to the proposed project including:

- Applicant details (e.g. business id number, applicant name, VAT status etc.)
- Making it Safer action plan – this is a Scheme requirement
- Proportionate business plan and supporting evidence (including 2 quotes for each item of estimated project costs stated in the plan. This is required to demonstrate the reasonableness of costs.
- ‘Indication of Support’ letter (financing the project)
- Farm Investment Planner Map (for construction projects)
- Planning permission documentation (if applicable)
- Certificate of Lawfulness (if applicable)
- Engineers drawings (if construction project)
- Engineers certificate confirming existing buildings are fit for purpose (if applicable)
- Relevant consents and or licences, for example, Pollution Prevention and Control licence or amendment, discharge consent etc.
- Nitrates and slurry storage calculations before and after (if applicable )

**Please note: The Making it Safer assessment and Farm Investment Planner Map tools must be completed online. Applicants will therefore require access to a computer with internet connection to view and complete them.** When making an application on the European Union Funding Programmes Grants Application website applicants will be able to 'upload' all the required documentation relating to the project application.

Applicants should allow sufficient time to gather all the relevant information required to complete the application.

**An indicative timeline and checklist for applicants is provided at Annex D.**

**Only one application per farm business can be submitted.** If two or more applications are submitted for the same DAERA Category 1 Farm Business ID Number, all the applications will be deemed ineligible.

**No amendments can be made after an application has been submitted unless you withdraw the initial application and submit a new application. Applicants who wish to withdraw an application should contact DAERA in writing on or before the closing date (4pm, Friday 10 March 2017). Any new application must be submitted on or before the closing date.**

**Changes cannot be made to an application after the closing date.**

As the information provided is used to assess the project for grant it is important that applications are completed accurately. If you have a query regarding the application process, please contact DAERA via the dedicated email address ([tier2@daera-ni.gov.uk](mailto:tier2@daera-ni.gov.uk)). Telephone queries can be made to 0845 0267535.

Please note that completion of a FBIS-C Tier 2 Tranche 1 application form does not mean that DAERA is under any obligation to make an offer of grant.

**Applicants must not incur any expenditure on their project prior to the date of the Letter of Offer, as expenditure incurred before this date will not be eligible for grant.**

**Applications received after the closing date of FBIS-C Tier 2 Tranche 1 will not be accepted.**

All information received will be treated in confidence. It will be used for the administration of applications and for monitoring and evaluation purposes. DAERA may share information with other departments, agencies and funding bodies for the purposes of processing applications, ensuring accuracy of information, preventing and detecting fraudulent applications or other crime. DAERA may also use it for other legitimate purposes in line with the Data Protection Act 1998 and Freedom of Information legislation.



It is an offence to knowingly provide false or misleading information. Should DAERA discover that you have intentionally made a false declaration your application will be cancelled. Furthermore, DAERA will not process any further application submitted by you under the Scheme during the calendar year (1 January to 31 December) of finding and the following calendar year. Article 35.6 of Commission Delegated Regulation (EU) No 640/2014 refers and applies without prejudice to additional penalties, including prosecution, under national legislation.

## **7. How will my application be assessed?**

Applications will be acknowledged either immediately if submitted online on the European Union Funding Programmes Grants Application website, or by an acknowledgement letter or email in the case of paper applications.

**Applications will only be assessed if they meet the eligibility criteria and scheme rules as follows:-**

- The applicant has a valid DAERA Category 1 Farm Business ID
- The applicant has a Making it Safer Action Plan / Certificate.
- The applicant has completed a robust, viable and sustainable business plan.
- The applicant has provided a completed Indication of Support Letter confirming the availability of finances to complete the project.
- The applicant has applied for grant for eligible project costs over £30,000 (Net of VAT)
- The applicant has completed a Farm Investment Planner map (applies to construction projects).

Mistakes or inconsistencies in an application could render it ineligible.

**Applications will be assessed and scored against the following five selection criteria. Applications must achieve a minimum overall score of 40 points AND a minimum score in the business plan section of 25 marks. Should a business plan score less than 25 marks the application will be rejected.**

Applications will be ranked according to score. If the scheme is oversubscribed it may not be possible to fund all projects that meet the minimum threshold score.

### **(1) Value for Money (maximum 20 marks)**

Up to 20 marks are available for this selection criterion.

In the business plan applicants must list the estimated costs of the proposed project split into equipment and construction elements. DAERA will complete a value for money assessment of the estimated project costs as proposed by the applicant. As the estimated project costs are expected to be reasonable 0 marks is the baseline mark. Additional marks will be awarded to applicants who propose

projects with lower costs than those expected. Applications which include incomplete or unreasonable (i.e. overinflated) costs that cannot be justified or explained will be rejected.

## **(2) Business Plan Assessment (Maximum 48 marks. Minimum 25 marks)**

As outlined in earlier sections the focus of Tier 2 of FBIS-C is on larger scale farm investments to encourage a significant change and drive sustainable growth through transformational investment in future proofed, fit for purpose modern infrastructure and equipment.

FBIS-C has 5 main themes which are scoring criterion and it is important that applicants demonstrate how the proposed project as stated in the business plan will deliver benefits in line with as many of the themes as possible. **The onus is on the applicant to make the best case possible for the proposed project.**

The maximum 48 marks can be awarded where there is significant evidence of alignment with the FBIS-C themes and, for example, viability, projected business growth, supply chain integration, environmental mitigation.

The minimum threshold score for the business plan is 25 marks. Projects that fail to reach the minimum pass mark for their business plan will be rejected.

## **(3) Online submission of application (12 marks)**

Completed applications (including associated documents) submitted via [www.eugrants.org](http://www.eugrants.org) with an uploaded 'Making it Safer' certificate, an 'Indication of Support Letter', a completed Business Plan and Farm Investment Planner Map (for construction) etc. will be awarded 12 marks for Online Submission.

This criterion aligns with DAERA's 'Digital First' approach which seeks to promote online as the primary channel for service delivery.

## **(4) Age of applicant (10 marks)**

Applicants aged 40 years of age or less on 28 October 2016 and who are head of holding will receive 10 extra marks. If your application is successful you will be required to provide evidence of this prior to receipt of a Letter of Offer. The applicant must be the person who is head of holding on 28 October 2016.

If an applicant is already recognized by DAERA as being the head of holding via the Young Farmers Scheme in Pillar 1 or the New Entrants Scheme we will check your details within DAERA. If the applicant is 40 years of age or less and is the only person named under the DAERA Farm Business ID number then we will assume he or she is head of holding. If the applicant is 40 years of age or less and is **not** the only person named under the DAERA Farm Business ID number we will require evidence that the applicant has the majority decision making power within the

business. This criterion is in place to encourage generational renewal and to maximise the benefits of long term investment.

### **(5) Educational Attainment (10 marks)**

Agriculture economic literature shows there is a well established link between educational attainment and improved performance at farm level. This particular selection criterion seeks to reward relevant educational achievement both as a means of ensuring maximum return on the investment and in providing a further incentive to farmers to invest in their knowledge and skills.

For the purposes of the Scheme applicants holding an appropriate **Level II in agriculture or horticulture (or equivalent)** will receive 10 marks. If your application is successful you will be required to provide evidence of this prior to receipt of a Letter of Offer.

The following link provides an indicative list of eligible qualifications known to be at least a Level 2 qualification in agriculture: <https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-educational-attainment-level-ii-eligible-qualifications>

Details on how to check the eligibility of a qualification can be found on the DAERA website. Alternatively, applicants can contact the College of Agriculture, Food and Rural Enterprise (CAFRE) directly by emailing [Industry.TrainingAdmin@daera-ni.gov.uk](mailto:Industry.TrainingAdmin@daera-ni.gov.uk).

Equivalent or higher level agriculture qualifications are acceptable for the purposes of the scheme. If an applicant is in any doubt about whether their equivalent or higher qualification meets the requirements, they can contact CAFRE to confirm.

All queries to CAFRE regarding the eligibility of qualifications must be submitted either electronically or in writing. All enquiries about eligible qualifications and any supporting qualification information should be emailed to [Industry.TrainingAdmin@daera-ni.gov.uk](mailto:Industry.TrainingAdmin@daera-ni.gov.uk) or in writing to the following postal address;

CAFRE Industry Training Administration, College of Agriculture, Food and Rural Enterprise (CAFRE), Room, 15, Manor House, Greenmount Campus  
45 Tirgracy Road, Muckamore, Antrim, BT41 4PS.

Enquiries will be acknowledged within three working days and where possible a written response will be provided within 15 working days.

It is the responsibility of the applicant to ensure clarification is sought in sufficient time to facilitate completion of their Tier 2 application.

If after assessment, a number of applications tie on the same score priority for award of grant will be given in the first instance to those with the highest marks for the assessment of the Business Plan, followed by Value for Money and finally Online Submission.

Annex E is a summary of the selection criteria scoring for Tier 2 Tranche 1.

## 8. Successful applications

Successful applicants will receive a Letter of Offer detailing the project for which grant is awarded, the amount of grant awarded and the terms and conditions of grant. The Letter of Offer will also include a Form of Acceptance, a Claim Form to be used when making a claim for grant and, if applicable, a VAT Declaration pro forma to be completed if an applicant wishes to claim grant towards the VAT element of the project.

The key conditions of grant for Tier 2 Tranche 1 of the FBIS Capital are:

- the Form of Acceptance must be signed and returned to DAERA within 28 days of the date of the Letter of Offer. If you do not sign, date and return the Form of Acceptance within 28 days of the date of the Letter of Offer, the offer of grant will be withdrawn. DAERA cannot be held responsible if a signed and dated Form of Acceptance is lost or delayed in the post. Proof of postage will not be accepted as proof of delivery.
- projects must be completed within the timeframe (up to 24 months) stated in the Letter of Offer. Invoices dated or payments made outside this timeframe will not be eligible for grant.
- grant is allocated for each specific item listed in the Letter of Offer. If the actual cost of purchasing an item(s) is less than the amount specified in the Letter of Offer, the balance of grant is not transferable to other items.
- the amount of grant approved will be set against the lowest quote received at application stage and will not be increased. Any increase in approved expenditure caused by inflation or unforeseen additional costs (for example, during construction) must be met by the applicant.
- applicants must adhere to the **procurement requirements** set out in the Letter of Offer. **Annex F of this booklet outlines how to procure goods and services after you have received a Letter of Offer for an approved project.**
- applicants must retain and use all funded items for at least 5 years from the date of final payment of grant.
- projects must meet all applicable legal obligations under EU and UK law.
- applicants are responsible for ensuring equipment is installed and operated in accordance with manufacturer recommendations. Applicants are obliged to consider the health and safety implications of all funded items.

- funded items must be installed, operational and have been paid for in full before grant can be claimed.
- funded items must be insured against loss and damage from fire, lightning, storm, flood, frost, theft, impact etc for at least 5 years from the date of the final payment of grant. DAERA is not liable for the failure or malfunction of any funded items.
- projects will be subject to monitoring and evaluation both during and after the period of the Letter of Offer.
- applicants must retain all documentation relating to the grant award until 31 December 2030 (in line with all RDP 2014-20 Schemes).
- applicants must adhere to any relevant European Commission requirements on publicity. This is defined in Commission Implementing Regulation (EU) No.808 of 2014. Further information will be provided to successful applicants.

**Applicants are reminded that they must not commit any expenditure on their project prior to the date of the Letter of Offer, as expenditure incurred before this date will not be eligible for grant.**

**Full conditions will be stipulated at Letter of Offer stage.**

Applicants should keep a copy of the Letter of Offer and signed Form of Acceptance for their own records.

Applicants will normally have 24 months from the date of the Letter of Offer to complete their projects and submit a claim. An extension to the Letter of Offer timeframe will only be considered in exceptional circumstances. Requests must be made in writing to DAERA before the Letter of Offer expires.

## **9. Unsuccessful applications**

**An application for grant will be unsuccessful if:**

- (a) the application submitted does not meet the eligibility criteria of the scheme (Section 2 of this booklet refers);
- (b) the application submitted scored below the minimum threshold score of 25 marks in the business plan section or below the minimum overall threshold of 40 marks; or
- (c) if Tier 2 Tranche 1 is oversubscribed.

If your application is not awarded grant, you will be provided with a written explanation of the reasons why the application was unsuccessful. If you have

reason to believe that the facts have been misinterpreted or an error has occurred in processing your application you may request a formal selection review. **Requests for a review of a decision on any other grounds will not be considered.**

As with other DAERA funded schemes within the Rural Development Programme 2014-2020, applicants have access to a two stage review of decisions procedure.

**Stage One is an internal review** and you will be required within 21 days of the letter advising that your project has not been awarded grant to submit in writing the reasons why you feel that:

- a. an error was made in determining the eligibility of the application; and/or
- b. an error was made in determining the score awarded to the application based on the information contained within the application.

You will be informed in writing of the outcome of the review.

**Stage Two is an external review** of the decision and you will be required within 42 days of the date of the letter informing you of the outcome of the first stage review to submit in writing the reasons why you feel that:

- a. an error was made in determining the eligibility of the application; and/or
- b. an error was made in determining the score awarded to the application based on the information contained within the application.

There will be a fee to cover some of the administrative costs of a Second Stage review. However, if the outcome of the review results in a change in decision you will be refunded the fee. You will be informed in writing of the outcome of the review.

## 10. How to claim

Claims must be made on the FBIS - C claim form supplied in the Letter of Offer. Each claim must detail a breakdown of eligible project expenditure for which grant is being claimed (including serial numbers where appropriate). The amount of grant being claimed for each item of expenditure must be accompanied by original invoices and bank statements confirming that the invoices have been paid in full.

Please note that:

- applicants must only claim for items specified in the Letter of Offer;

- only one claim can be submitted for each discrete construction phase of their project. This must be submitted within the deadline specified in the Letter of Offer. If returning the claim by post please ensure that you pay the correct postage charge. If you do not, this could delay receipt of the claim. Proof of postage will not be accepted as proof of delivery;
- grant is paid in arrears;
- expenditure incurred outside the timeframes stated in the Letter of Offer are not eligible for grant;
- all relevant questions in the claim form must be answered and all supporting documents required must be enclosed in the claim;
- any mistakes in the claim form should be crossed out and initialled;
- items purchased using cash are not eligible for grant;
- items must be installed, operational and have been paid for in full before grant can be claimed for them;
- the amount of grant claimed must be net of all discounts received;
- grant will be paid against the approved cost in the Letter of Offer or lesser if the invoice provided at claim stage is lesser than original quotation provided at application stage.
- it is the applicant's responsibility to ensure the claim is arithmetically correct and all expenditure claimed is eligible for grant as per the Letter of Offer and FBIS - C Tier 2, Tranche 1 rules. DAERA is required to check the accuracy of claims received;
- claims will only be paid when DAERA is satisfied that the relevant expenditure has taken place and that the work has been completed in line with the conditions of the award of grant. The checking process may include a visit(s) to the farm business;
- the inclusion of ineligible expenditure in a claim will incur a reduction to the grant payable. Further information on penalties and reductions to grant is provided in Section 12;
- debt owed to the Department will be deducted from a claim;
- failure to complete the project specified in the Letter of Offer could result in a financial penalty being imposed as per Article 35 of Commission Delegated Regulation 640/2014. It may also affect future applications to the scheme.

## 11. Payment of claims

Payment of claims will be made electronically into the bank account or building society account using BACS. Payment will be made to the bank account associated with the applicant's DAERA Category 1 Farm Business ID Number.

Applicants should note that the same bank account cannot be used for more than one farm business.

Applicants can register or change their farm business bank account details by contacting DAERA Grants and Subsidies Payments Branch, Services Section, Room 9, Orchard House, 40 Foyle Street, Derry/Londonderry, BT48 6AT or by telephoning 028 71 299084.

## 12. Penalties and reductions

The following EU regulations provide the basis for the application of penalties and reductions under FBIS - C.

- Article 63 of Commission Implementing Regulation (EC) No 809 of 2014 covers reductions to claims based on the amount claimed and the amount found to be eligible under the Scheme rules.
- Article 35 of Commission Delegated Regulation (EU) No 640 of 2014 covers the application of penalties for non compliance with the conditions of the Letter of Offer.

**Failure to meet the conditions of grant in the Letter of Offer could result in the full or partial reduction of grant.** Reductions will not exceed 100% of the grant award.

### **Article 63 of Commission Implementing Regulation (EC) No 809 of 2014**

You are responsible for ensuring that claims are arithmetically correct and all expenditure claimed is eligible for grant as per the Letter of Offer and FBIS - C rules. Only items specified in the Letter of Offer are eligible for grant; claiming for ineligible items will result in penalties being applied and a full or partial reduction of the grant.

We are required to check the accuracy of claims received. In accordance with Article 63 if a claim is found to be incorrect we will reduce it to the amount that is eligible. The grant to be paid will then be calculated on that basis. However, if the ineligible expenditure is more than 10% of the eligible expenditure in the claim a further reduction will be made. The reduction required is (a) the ineligible expenditure and (b) a further reduction equal to (a). An example is provided below.



a	Expenditure in claim	£200,000
b	Ineligible expenditure in claim	£20,000
c	Eligible expenditure in claim (a-b)	£180,000
d	Ineligible expenditure in claim as a percentage of eligible expenditure in claim (b as a percentage of c)	11%
e	Penalties applied (b)	£20,000
f	Balance of expenditure upon which grant is calculated (c-e)	£160,000
g	Grant rate	40%
h	Grant to be paid (f*g)	£64,000

You will have to make up the difference as the maximum grant payable will reduce accordingly. However, no reduction will be made if you can demonstrate to our satisfaction that you were not at fault for the inclusion of the ineligible expenditure. No penalty will be applied for obvious errors (e.g. an incorrect total in claim form).

### **Article 35 of Commission Delegated Regulation (EU) No 640 of 2014**

Claims that are submitted under this scheme shall be refused or withdrawn in full where the eligibility criteria of the scheme are not complied with and claims shall be refused or be withdrawn in full or in part where the following commitments or other obligations are not complied with:

- (a) Commitments established in the rural development programme; or
- (b) Where relevant, other obligations of the operation established by Union or national law or established in the rural development programme, in particular public procurement, State Aid and other obligatory standards and requirements.

**When deciding on the rate of refusal or withdrawal of support following the non-compliance with the commitments or other obligations referred to above, DAERA shall take account of the severity, extent, duration and reoccurrence of the non-compliance related to conditions for support referred to above.**

#### **Definitions:**

**Eligibility criteria** are the requirements that you (the promoter and beneficiary) have to respect usually at the stage of applying for support and throughout the duration of the scheme, but for which you are not paid for. An example of an eligibility criterion would be “must have a DAERA Category 1 Farm Business ID Number”.

**Commitments** are the actions you undertake to carry out as set out in your letter of offer and for which you are paid for. An example of a commitment would be ‘to buy

specific plant and machinery to a particular specification or construct a building to a specific specification”.

**Other obligations** are the requirements applicable to the rural development measure that you need to respect, but for which you are not paid for in the context of the Rural Development Programme. An example would be “to follow public procurement rules” or “to follow publicity requirements’

### **Exceptions to Penalties:**

#### **Obvious Error**

A penalty is not applied where there is an obvious error in the claim form. An example of an obvious error would be an incorrect total or transposed numbers or letters.

#### **Not At Fault**

A penalty may not be applied where you can demonstrate to the satisfaction of DAERA that you were not at fault for the breach of eligibility criteria, commitment or other obligation. It must be clear that you were not at fault.

#### **Force Majeure**

A penalty may not be applied where the breach of eligibility criteria, commitment or other obligation occur due to a force majeure event that you could not have foreseen and to mitigate the effects of the event would cause excessive sacrifice to you. If you consider here is a force majeure event you must tell the Department in writing and within 15 working days of being able to do so what the event was and how it prevented you from complying with the eligibility criteria, commitment or other obligation.

#### **How is the Article 35 administrative penalty applied?**

DAERA shall take account of the severity, extent, duration and reoccurrence of the non-compliance. The matrix below sets out the penalty that will be applied, after consideration. More detail on Article 35 of 640/2014 is available, if required. Article 35 will be applied to the full value of the claim after any deductions are made under Article 63 of 809/2014.

**Rural Development Programme Irregularity/Penalty Matrix for compliance with Article 35  
of Commission Delegated Regulation (EU) No. 640/2014**

SEVERITY	EXTENT	Duration	For first non-compliance use this column to calculate reduction	If the non-compliance has been repeated within four years or during the whole programming period 2014 – 2020 in the case of the same beneficiary and the same measure use this side of the matrix to calculate reduction		
			Reduction for first occurrence	Reduction for 1 <sup>st</sup> recurrence	Reduction for 2 <sup>nd</sup> recurrence	Reduction for 3 <sup>rd</sup> recurrence
Low	Low impact	Rectifiable	Warning letter to rectify issue	5%	15%	45%
		Permanent	5%	15%	45%	100%
	Medium impact	Rectifiable	5%	15%	45%	100%
		Permanent	10%	30%	90%	100%
	High impact	Rectifiable	10%	30%	90%	100%
		Permanent	15%	45%	100%	100%
High	Low impact	Rectifiable	15%	45%	100%	100%
		Permanent	25%	75%	100%	100%
	Medium impact	Rectifiable	25%	75%	100%	100%
		Permanent	50%	100%	100%	100%
	High impact	Rectifiable	50%	100%	100%	100%
		Permanent	100%	100%	100%	100%

- Severity of the non compliance shall depend in particular on the importance of the consequences of the non compliance, taking into account the objectives of the commitments or obligations that were not met.
- Extent of the non compliance shall depend in particular on its effect (impact) on the operation as a whole.
- Duration shall depend, in particular on the length of time for which the effect lasts or the possibility of terminating this effect by reasonable means.
- In the first instance where a non compliance is considered rectifiable article 36 of Regulation 640/2014 shall be invoked. All funding will be withheld and you will be

required, in writing, to rectify the issue within 3 months. If not rectified then the penalty set out above will be applied.

### **Suspected fraud**

It is an offence to knowingly provide false or misleading information. If you have intentionally provided false information the grant award will be cancelled and we will seek to recover the grant paid (including interest). Furthermore, you will be excluded from applying to the Scheme during the calendar year (1 January to 31 December) of finding and the following calendar year. This applies without prejudice to additional penalties including prosecution under national legislation. Cases of suspected fraud will be referred to the appropriate authorities for investigation.

### **Legislation covering recovery of grant**

Regulations 15 to 18 of Statutory Rule No 326 of the Rural Development Programme Regulations (Northern Ireland) 2015 set out the powers of recovery of grant for the Rural Development Programme 2014-2020.

### **Complaints Procedure**

DAERA is committed to providing the highest possible standards of service to all its customers. If you are unhappy with the quality of service you have received you can make a complaint. DAERA's complaints procedure is easy to use and is available on the DAERA website. Alternatively, we can email or post the procedure.

## Annex A – Examples of Potential Investments

<b>Beef</b>
Calf housing
Suckler cow house incorporating calving facilities
Beef store/finishing with handling facilities incorporated
New roofed Silos
<b>Sheep</b>
Sheep housing
New roofed Silos
<b>Pigs</b>
Fattening house
Farrowing house
1st stage weaner houses for growing pigs
Dry sow house
2nd stage weaner/grower house for growing pigs
New meal mixing plant.
<b>Dairy</b>
Computer linked milking parlours and equipment
Roofed Silos
Dry and transition cow facilities
Calf and heifer accommodation
Milking cow accommodation
<b>Poultry (inc ducks and turkeys)</b>
Broiler housing
Free range layer house and fencing
Broiler breeder house
Covered middens for litter storage
Windows for existing poultry housing
Ventilation systems in poultry housing
Manure drying equipment
<b>Crops and horticulture</b>
Crop product storage
Mushroom houses & equipment
Glasshouses
Polytunnels

**Applications for investments outside the areas indicated in the above table will be considered but are less likely to contribute to the FBIS - C Scheme Key Themes and objectives.**

## **ANNEX B - Ineligible Expenditure**

**The following expenditure cannot be funded.**

- Slurry capacity for businesses currently below statutory capacity requirements (22 or 26 weeks)
- Self propelled machinery, tractors, combines, 4x4s, ATVs, RTVs etc.
- Items that do not add to the gross value added of the farm – for example concreting yards, laneways, general purpose sheds, machinery sheds, workshops etc
- Conversions (e.g. converting a silo into livestock housing)
- General cultivation/harvesting equipment
- Food processing buildings/equipment
- Investments to meet statutory obligations under current legislation
- Second hand equipment
- Replacing assets like for like
- Items of equipment that have received grant from other grant schemes
- Items used in full or part for any other non- agricultural business or domestic purposes
- Items that have been supplied by the applicant to his or her own farm business
- Payments made for items in cash
- Expenditure incurred or payments made before the date of a Letter of Offer
- Claims received by DAERA after the date stated in the Letter of Offer
- Value Added Tax (VAT) on eligible project costs (except where it cannot be reclaimed from HM Customs and Excise)
- Planning permissions
- Computer hardware such as pc, laptop, printer etc.
- Professional fees (Pre Letter of Offer)
- Training on the use of buildings or items
- Subscription charges on items
- Items purchased using hire purchase
- Warranties
- Insurance
- Maintenance
- Running costs
- Financial charges and bank interest
- Consumables
- Investments relating to non-agricultural animals
- Projects associated with food processing buildings and equipment
- Equipment typically used by contractors. For example: balers, silage harvesters
- Purchase and installation of renewable energy investments. A support framework is already available through the Department for the Economy

## **ANNEX C - Environmental Considerations**

**Further guidance on environmental considerations will be made available on the DAERA website. This will address emissions, manure, pesticide and fertiliser use and other steps applicants can take to mitigate any harmful impacts on soil, water, air quality and biodiversity.**

### **Nitrates Action Programme for Northern Ireland**

If your business involves livestock production, you will have to ensure that your project will allow your farm to remain compliant with the nitrates action programme (NAP) for Northern Ireland. It is important to ensure that your project is sustainable from an environmental point of view if you intend to expand. If your project involves constructing slurry capacity or your business plan involves expansion of livestock numbers, the following documents must be submitted with your application form. Interactive calculators are available online for you to calculate these figures for your farm. They are located in the business tools section of the CAFRE website.

<https://www.daera-ni.gov.uk/publications/dard-identification-numbers-business-customers-herd-and-flock-keepers>

- 1) Nitrate loading prior to application (measured as kilograms of livestock manure nitrogen per hectare)
- 2) Nitrate loading when your project reaches full livestock capacity (measured as kilograms of livestock manure nitrogen per hectare)
- 3) Slurry storage capacity prior to application (measured as number of weeks capacity for your livestock during the winter slurry spreading closed period)
- 4) Slurry storage capacity when your project reaches full livestock capacity (measured as number of weeks capacity for your livestock during the winter slurry spreading closed period)

## Annex D – Indicative Timeline & Checklist for Applicants

### Indicative Timeline

An indicative timeline for the main stages of FBIS-C Tier 2 (Tranche 1) is given below, followed by a summary of the key steps which an applicant will need to complete as part of their application, prior to the scheme closing date. **The process has been designed to provide farmers with the necessary information and support to enable them to make informed decisions.** Further information will be added to the DAERA website as each stage progresses.

<b>FBIS –C Opens – 31 October 2016</b>
Tier 2 Booklet available from 31 October 2016
Information Roadshows held between 7 to 16 November 2016
Business Plan template on DAERA website from 12 December 2016
Business Plan Cashflow Calculator on DAERA website from 12 December 2016
Completed applications can be submitted from 4pm on 19 December 2016
Business planning training available from January 2017
<b>Tier 2 closes – 4pm on 10 March 2017</b>
Letters of Offer issued –Summer 2017

### Steps for Tier 2 applicants to complete application

Seek expert advice – engage a Chartered Engineer if a construction project.

Provide engineer's drawings in line with Farm Investment Planner map, specifications and construction elements as set out in business plan.

Provide planning permission documentation for project or evidence of planning permission application (if applicable)

Provide a Certificate of Lawfulness – if applicable.

If applicable, provide an engineer's certificate confirming existing buildings are fit for purpose etc.

If applicable, provide a current Pollution Prevention and Control licence or amendment and or other consents applicable to the project. For example, discharge consent, consent to remove hedgerow etc.

Obtain 2 quotations for each of the estimated project costs specified in Q13 of application form. This is required to demonstrate the reasonableness of costs

Complete Making It Safer assessment – this is a Scheme requirement.

Complete Farm Investment Planner map – required for construction projects



Complete application form online via European Union Funding Programmes Grants Application website. Paper applications and applications submitted via email will be accepted but will not benefit from the extra score awarded to applications submitted using the European Union Funding Programmes Grants Application website.

Complete FBIS-C Tier 2 Business Plan including cash flow calculator.

Finalise the 'Indication of Support' Letter with bank or lending institution. This may take several weeks to obtain and banks or other lending institutions will first want to consider the business plan.

If submitting an online application via the European Union Funding Programmes Grants Application website upload associated documents and supporting information as applicable. For example:

- a) completed Farm Investment Planner Map – if construction project.
- b) planning permission documentation – if construction project
- c) certificate of lawfulness – if construction project
- d) engineers certificate confirming existing building is fit for purpose
- e) PPC – either a new application for a permit or an application for amendment.
- f) discharge consent
- g) completed Making it Safer assessment - required for all applications
- h) 2 quotes for each of the estimated project costs specified in the business plan - required for all applications
- i) completed nitrates and slurry storage calculations before and after (if relevant)
- j) completed indication of support letter from bank or other lending institution - required for all applications
- k) evidence of baseline information – Q23 of business plan refers - required for all applications
- l) evidence of supply chain integration, for example, written contracts with processors etc. Q20 of business plan refers.
- m) completed business plan narrative and cash flow calculators - required for all applications

Applicants should only submit an application when they are satisfied that all the relevant questions in the application form, business plan etc have been answered and all applicable supporting documentation has been provided.

## ANNEX E - Selection Criteria Scoring

Selection criteria	Score
<b>Value for money assessment</b>	Up to maximum 20 marks
<b>Business Plan Assessment</b> Includes alignment with FBIS themes; viability, projected business growth; supply chain integration, environmental mitigation etc.	Marks allocated between 0 and 48. Minimum score in business plan section 25 marks.
<b>Online application</b>	Application and specified key supporting documents submitted electronically – 12 marks
<b>Age of applicant</b>	Applicant is no more than 40 years of age on 28 October 2016 and is head of holding – 10 marks  Head of holding is over 40 years of age on 28 October 2016 – 0 marks
<b>Educational attainment</b>	Applicant has an appropriate agricultural or horticultural qualification (Level II or equivalent) - 10 marks  Applicant does not have an appropriate agricultural or horticultural qualification – 0 marks

**A minimum overall score of 40 is set AND a minimum score in the business plan section of 25 marks, below which an application will not be funded.**

## **ANNEX F - Procurement (after project is approved)**

### **Introduction**

All expenditure approved in the Letter of Offer must be procured in a cost effective manner that demonstrates value for money. All claims for the re-imbusement of the eligible expenditure in your approved project budget will be checked to ensure that the procurement requirements have been followed. Any expenditure that has not been procured in line with the requirements as set out below will not be paid and a penalty may be applied to the total value of your claim under Article 35 of EU Regulation (EC) No 640 of 2014.

If approval has been given to purchase an item included in the FBIS-C Tier 1 'List of Eligible Items' then there is no requirement to obtain quotations for that particular item.

### **What is required?**

Applicants must have written specifications for all goods and services and the specification will be the basis for obtaining quotations to demonstrate value for money.

For expenditure up to £5,000 applicants must seek **2 price checks from potential suppliers**. All price checks must be documented, dated and retained for reference.

For expenditure of £5,000 and up to £30,000 applicants must seek **2 detailed written quotations** from potential suppliers. Quotations should be on suppliers headed paper, dated and include:

- (1) Supplier Details (e.g. name, address, contact number, e-mail address etc)
- (2) Itemised cost and description for goods and services included in the quoted price.

Applicants may use quotations they provided at application stage if the quotations are current (maximum 6-months) and the expenditure is less than £30,000 for a single item of expenditure (equipment and or construction costs). Quotations that are older than 6 months will not be accepted unless the potential supplier has confirmed, in writing, that the quoted costs remain unchanged.

For expenditure over £30,000 applicants must place a public advertisement for open tender. In seeking tenders for goods and services the applicant must:

Prepare a written specification for the goods and services to be procured and identical specifications must be sent to all interested suppliers responding to the public advertisement. Note that contracts for similar goods or services must not be

divided into smaller orders for the purpose of avoiding the requirement to publicly advertise.

The public advertisement must have a closing date for receipt of tenders and any tender received after the closing date should not be accepted.

Received tenders must be dated and be on suppliers headed paper. If received by fax or e-mail you must keep the covering correspondence.

Tenders must be opened at the same time and a suitably qualified and experienced individual should supervise the tendering process. DAERA, upon request, can supply template tender forms to assist in the assessment process.

Applicants must keep a record of the tendering process, including original documentation, notes of decisions and the assessment of the tenders.

Applicants must not accept a tender from a family member, relative or someone linked to the farm business without the approval of DAERA.

### **Purchase of Specialist Equipment / Sole Supplier**

In circumstances where there is only one supplier of a particular good or service and it is not possible to obtain different quotations or not practical or cost effective to place a public advertisement for open tender then you must, **before placing an order**, seek the approval of DAERA to proceed with the purchase.

### **Accepting a Quotation or Tender**

The quotation or tender that you accept must be the lowest which represents best value for money. If the lowest quoted cost is not accepted the reason(s) for the decision must be recorded. If an applicant decides to choose a quotation based on personal preference then any additional cost will be met by the applicant.

### **Summary**

DAERA will provide successful applicants with a Letter of Offer (LoO) that will include a project budget. Applicants will be required to implement the project in line with the Conditions of Grant within the LoO and for the purchase of goods and services the applicant **must adhere** to the procurement requirements as set out above. Non-compliance with these requirements will mean that the grant approved will not be paid and a penalty may be applied to the total value of the claim as per Article 35 of EU Regulation 640 of 2014.

## **Annex G – Relevant Legislation**

This Explanatory Booklet is only a guide and does not represent an interpretation of the legislation - only the courts can rule authoritatively on such matters. It is recommended that you consider the legislation before applying. The main regulations governing the Scheme are:

**Regulation (EU) No 1305/2013** of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD).

**Regulation (EU) No 1303/2013** of the European Parliament and of the Council laying down common provisions on the EAFRD, the European Social Fund, the Cohesion Fund, the EAFRD and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund.

**Regulation (EU) No 1306/2013** of the European Parliament and of the Council on the financing, management and monitoring of the common agricultural policy.

**Commission Delegated Regulation (EU) No 640/2014** with regard to the integrated administration and control system and conditions for the refusal of payments and administrative penalties applicable to direct payments, rural development support and cross compliance.

**Commission Delegated Regulation (EU) No 807/2014** supplementing Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the EAFRD and introducing transitional provisions

**Commission Implementing Regulation (EU) No 808/2014** laying down rules for the application of Regulation (EU) No 1305/2013.

**Commission Implementing Regulation (EU) No 809/2014** laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to the integrated administration and control system, rural development measures and cross compliance.

**Commission Delegated Regulation (EU) No 907/2014** supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro.

**Commission Implementing Regulation (EU) No. 908/2014** laying down rules for the application of Regulation (EU) No. 1306/2013 and of the Council with regard to paying agencies and other bodies, financial management, clearance of

accounts, rules on checks, securities and transparency, known as the Horizontal Finance Implementing Regulation.

Statutory Rule No 326 of the Rural Development Programme Regulations (Northern Ireland) 2015

The Common Agricultural Policy (Review of Decisions) Regulations (Northern Ireland) 2015.

## Annex H – Useful sources of information

### 1. Health and Safety Executive for Northern Ireland

Helpline 0800 0320 121 and or website - <https://www.hseni.gov.uk/>

### 2. Sprayers

<https://www.daera-ni.gov.uk/sites/default/files/publications/dard/pesticide-spray-a4-flyer.pdf>

### 3. Approval to incinerate animal carcasses or parts of carcasses

**Incineration of by-products cannot commence until approval has been issued by DAERA.**

Application must be made to DAERA Veterinary Service. This can be done [online](#) or by downloading an application form from the DAERA website. Applicants can also contact DAERA Veterinary Service by telephoning 028 90525275.

Application may be made for approval as Low Capacity (less than 50kg/hour) or High Capacity (more than 50kg/hour).

Note that the operation of more than one incinerator at the same premises providing for a potential throughput of greater than 50kg/hour will cause the plant to be considered High Capacity.

For approval to be granted it is necessary that both the incinerator and the premises on which it is located comply with the legislation.

An application will reviewed by a DAERA Veterinary Officer who will form an opinion as to whether the structure, operation and record keeping of the plant is likely to comply with the legislation. If no further information is required an inspection will be carried out to witness compliant operation before an approval can be issued.

<https://www.daera-ni.gov.uk/publications/approval-and-operation-incineration-plants-which-receive-abp>

<https://www.daera-ni.gov.uk/publications/animal-products-applications>

<https://www.nibusinessinfo.co.uk/licencefinder?itemId=1084033266&site=191&type=LICENCE>

# Rural Development Programme 2014 – 2020

## Complaints Procedure

DAERA is committed to providing the highest possible standards of service to all its customers. If you are unhappy with the quality of service you have received you can make a complaint. DAERA's complaints procedure is easy to use and is available on the DAERA website: <https://www.daera-ni.gov.uk/publications/how-do-i-make-complaint-if-i-am-unhappy-quality-service-i-received>. Alternatively, upon written request, DAERA can email or post the procedure.

## Fraud Statement

Any person who knowingly or recklessly makes a false statement for the purposes of obtaining grant under this scheme or assisting another to obtain grant may be prosecuted.

**DAERA Fraud Hotline: Freephone 0808 1002716**

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## Farm Business Improvement Scheme - Capital Tier 2 (Tranche 1)

## Explanatory Booklet

