

Rural Development Programme 2014 – 2020



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

Explanatory Booklet



Department of
**Agriculture, Environment
and Rural Affairs**

www.daera-ni.gov.uk



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

Countryside

Services

Farm Business Improvement Scheme - Capital (FBIS-C) Tier 1 (Tranche 2) 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 1 of the FBIS-C is administered by Countryside Services Ltd on behalf of the Department of Agriculture, Environment and Rural Affairs (DAERA). If you require assistance please contact Countryside Services Ltd at:

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1. Introduction

This document is the Explanatory Booklet for Tier 1 (Tranche 2) of the Farm Business Improvement Scheme – Capital and provides information on the:

- Tranche 2 List of Eligible Items (Annex A);
- Ineligible expenditure (Annex B);
- How to complete your application online (Annex C)
- How to complete your application in hardcopy (if you are unable to complete it online) (Annex D);
- Selection criteria (Annex E);
- Specific rules for fencing investments (Annex F);
- Prefabricated Biosecurity Unit Specification (Annex G);
- Approval to incinerate animal by-products (Annex H); and
- Tensioned covers for above ground slurry stores (Annex I).

Please note that some of these annexes are provided as separate documents.

Please note the opening date for submitting applications to Tier 1 (Tranche 2) of FBIS-C is 04 January 2018. The closing date for receipt of completed applications is 4pm on 02 February 2018. Grant support under Tier 1 (Tranche 2) will be subject to budget availability in 2018-19.

The Farm Business Improvement Scheme (FBIS), funded through the European Agricultural Fund for Rural Development, 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 previous 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 of the RDP 2014-20. It has two tiers – Tier 1 and Tier 2. It is governed by the legislation listed at Annex I. Tier 1 of FBIS-C aims to improve the competitiveness of Northern Ireland's farm

businesses by providing grants for capital investment across four key themes - (1) Environment, Weather Resistance and Climate Change, (2) Animal and Plant Health, (3) Occupational Health and Safety and (4) Production and Resource Efficiency.

The FBIS - C is designed to take account of differing levels of planned investments by farm businesses. Before making an application to the scheme, applicants should consider if FBIS-C Tier 1 (see below) is the most appropriate way to meet their farm business requirements in respect of capital investment.

- **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 up to 40% of eligible costs. **The total maximum grant available to a successful applicant of Tier 1 only is £12,000 over Tranche 1 and Tranche 2.**

A second Tranche of Tier 2 of FBIS-Capital is also planned, but it is not possible at this stage to be specific about the timing. Decisions on this will be subject to a review of the lessons learned from the first Tranche and funding availability.

Please note, **if you apply to Tier 1 (Tranche 2) and are offered and accept a LoO, you cannot then subsequently apply to any future Tier 2 (Tranche 2).**

The total maximum grant available to a successful applicant availing of both Tier 1 and Tier 2 is £250,000 over the lifetime the RDP 2014-2020.

This booklet provides an overview of Tier 1 **only**. **Please read it carefully** as it contains important information about Tier 1 (Tranche 2). DAERA reserves the right to make changes to the FBIS-C requirements during the lifetime of the scheme.

2. Eligibility

To be eligible to Tier 1 (Tranche 2) applicants must meet the following eligibility criteria and scheme rules:

	Eligibility Criteria	What does this mean?	How can I meet the eligibility criteria?
1	<p>Registered Farm Business as defined in this booklet: Possession of a valid DAERA Category 1 Farm Business ID Number</p>	<p>All applicants must have a DAERA Category 1 Farm Business ID Number.</p>	<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 Identification (FBID) Number.</p> <p>If the applicant does not have an FBID Number, information on how to apply for one can be found on the DAERA website using the following link:</p> <p>https://www.daera-ni.gov.uk/publications/dard-identification-numbers-business-customers-herd-and-flock-keepers</p> <p>It is the applicant's responsibility to apply in sufficient time to obtain a DAERA Category 1 FBIS. DAERA will not be responsible if a DAERA Category 1 FBID is not issued before the closing date of the FBIS-C Tier 1 (Tranche 2) which is 4.00pm on 02 February 2018.</p> <p>For Tier 1, selection criteria marks are available for applicants aged 40 years or less on 03 January 2018. This must be the applicant who is named under the DAERA Category 1 FBID.</p>

2	<p>Completion of an up to date <i>Making it Safer</i> risk assessment</p>	<p>All applicants must complete the online <i>Making it Safer</i> risk assessment and provide a <i>Making it Safer</i> certificate.</p> <p>This risk assessment must have been completed on or after 01 December 2017, with the date of completion recorded on the certificate. Applicants will be required to answer questions relating to their own farm on Slurry, Animals, Falls and Equipment (SAFE).</p> <p>A certificate will be available to download once the applicant has completed the risk assessment. A copy of this certificate must be 'uploaded' as part of the online application process, or included with a hard copy application to meet the scheme rules. Please ensure that the name of the applicant and the DAERA Category 1 Farm Business ID Number are entered onto the Making it Safer Certificate.</p>	<p>The applicant can meet this eligibility criterion by completing the online risk-assessment at the following link:</p> <p>http://www.farmsafenet.org/Safer</p> <p>The Making it Safer risk-assessment must have been completed on or after 01 December 2017.</p>
3	<p>Completion of a proportionate business plan: fully completing the Tier 1 (Tranche 2) application form</p>	<p>All applicants must complete the Tier 1 (Tranche 2) application form, which includes high-level questions on the proposed project and business outcomes.</p>	<p>The applicant can meet this eligibility criterion by fully completing the Tier 1 (Tranche 2) application form.</p>

	Scheme Rules	What does this mean?	How can I meet the scheme rules?
4	Indication of Support Letter from a bank or other lending institution	<p>All applicants must submit a copy of a completed Indication of Support Letter from a bank or other lending institution. This is required to confirm that the applicant has access to sufficient funds to complete the project.</p> <p>This Indication of Support Letter must have been completed on or after 11 December 2017.</p> <p>Once the applicant has received this confirmation from the bank or other lending institution a copy of the Indication of Support Letter must be 'uploaded' as part of the online application process, or included with a hard copy application to meet the scheme rules.</p>	<p>The applicant can meet this rule by downloading the template Indication of Support Letter from:</p> <p>(a) the online application system on the European Union Funding Programmes Grants Application website - www.eugrantfundingni.org</p> <p>(b) Countryside Services Ltd website - www.countrysideservices.com or</p> <p>(c) at the following link: https://www.daera-ni.gov.uk/publications/daera-fbis-capital-indication-support</p> <p>The completed form must be uploaded when submitting an online application or included with a hard copy application.</p>
5	Eligible project costs, based on the total reference price cost of item or items selected, must be between £5,000 and £30,000 (based on the Reference Price(s) within the Tier 1 (Tranche 2) List of Eligible Items).	<p>The total reference price value of items selected from the List of Eligible Items must have a minimum value of £5,000 project costs, and a maximum value of £30,000. You may apply for more than one item.</p>	<p>Submit an application including only an item or items from the Tier 1 (Tranche 2) List of Eligible Items with a total reference price value between £5,000 and £30,000.</p>

6	Total grant per farm business over Tier 1, Tranche 1 and Tranche 2 cannot exceed £12,000.	The total of any grant paid under Tranche 1 and grant sought under Tranche 2, after the Value for Money selection criterion is applied, must not exceed £12,000.	Ensure that the sum of any grant applied for under Tranche 2 plus any grant paid under Tranche 1 does not exceed £12,000 (See Section 4).
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3. List of eligible items for grant

DAERA has developed a List of Eligible Items informed by consultation with stakeholders. The Tranche 2 List of Eligible Items is divided into the four key FBIS-C themes. Items can be selected for purchase across all four themes. Each theme has a code:

- Code E** – Environment, Weather Resistance and Climate Change;
- Code F** – Animal and Plant Health;
- Code G** – Occupational Health and Safety; and
- Code H** – Production and Resource Efficiency.

The Tier 1 Tranche 2 List of Eligible Items is at Annex A. Please note that a number of items have been added to the List of Eligible Items following a Review of Tranche 1. All items have been assigned a new code.

The list of eligible items can also be viewed at: www.countrysideservices.com or: <https://www.daera-ni.gov.uk/publications/farm-business-improvement-scheme-capital-tier-1-tranche-2-eligible-items>.

Annex B of this booklet lists the type of expenditure that cannot be funded.

Annex F of this booklet provides more detail on the specifications for eligible fencing items.

Annex G of this booklet provides more detail on the specifications for eligible prefabricated bio-security units.

Annex H of this booklet provides information on the Department's approval requirement for eligible incinerators to incinerate animal by-products.

Annex I of this booklet provides more detail on the specifications for eligible tensioned covers for above ground slurry stores.

Grant support is only available towards the purchase cost of **new** (not second hand) items that are on the Tier 1 (Tranche 2) List of Eligible Items. Items which are not on the Tranche 2 list are not eligible for grant support under Tier 1. The items have been reference priced to set the maximum project costs eligible for grant support. The grant payable is 40% of eligible project costs between £5,000 and £30,000, unless the Value for Money (VFM) criterion has been applied (see section 6).

The maximum amount of grant payable, net of Value Added Tax (VAT) is recorded against each item on the list.

DAERA may amend the list at any time during the lifetime of the scheme.

4. How much grant is available?

The FBIS-C Tier 1 (Tranche 2) is dependent on receipt of financial assistance from the European Commission and the availability of national funds. Should such receipts be suspended or terminated, DAERA may suspend or terminate this grant scheme. The grant rate is 40% of eligible project costs between £5,000 and £30,000 unless the Value for Money criterion has been applied. The Value for Money criterion is explained in more detail at Section 6, (How will my application be assessed?).

The maximum amount of grant available per farm business over the lifetime of the RDP 2014-2020 for Tier 1 is £12,000 (i.e. 40% of maximum £30,000 total eligible costs). If you were successful under FBIS-C Tier 1 (Tranche 1) you may still apply to Tranche 2, however the total grant support received under both Tranches cannot exceed £12,000. **If you apply for grant support which exceeds this £12,000 limit, your entire Tranche 2 application will be deemed ineligible.** If you are unsure how much grant you may apply for under Tranche 2, contact Countryside Services Ltd by telephone on 08450 267535. Please have your FBID and FBIS-C Tier 1 (Tranche 1) EU Database Reference Number available if making such an enquiry.

Grant support payable will be 40% of the reference price specified for each item from the List of Eligible Items, or 40% of the actual purchase price of each item or grant requested after the Value for Money criterion has been applied, whichever is the lesser. If successful, the maximum grant payable for each item will be detailed in the Project Schedule of your 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 £5,000 (net of VAT and before any Value for Money selection criterion points have been applied) but not more than £12,000 (grant). Successful applicants will be expected to provide a signed declaration confirming that the farm business is not registered with HM Revenue and Customs for reimbursement of VAT.

5. How to apply

DAERA strongly encourages farm businesses to make an application online using the European Union Funding Programmes Grants Application website: www.eugrantfundingni.org.

Guidelines on how to complete an online application are provided at Annex C. These guidelines are also available at: www.countrysideservices.com or <https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-online-application-guidance>.

Hard copy applications will be accepted but **will not benefit from the marks awarded (possible 11 marks) to online applications.** Please refer to Section 6 - How will my application be assessed?

Guidelines on how to complete a hard copy application are provided at Annex D. These guidelines are also available at: www.countrysideservices.com or: <https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-hard-copy-application-form-and-associated-guidance>.

Only one application per farm business can be submitted. If two or more applications are submitted for the same DAERA Category 1 FBID 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 Countryside Services Ltd in writing in advance of the closing date of 4pm, 02 February 2018 (the Department reserves the right to vary the closing date). Any new application must be submitted 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 Countryside Services Ltd for assistance. It is the applicant's responsibility to ensure that all questions are answered and that his/her application is completed correctly.

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

You must not purchase any items for which you are seeking grant until your application has been fully assessed and you have received a Letter of Offer. Expenditure incurred before the date of the Letter of Offer will not be eligible for grant.

Applications received after the closing date of FBIS-C Tier 1 (Tranche 2) i.e. after 4pm, 02 February 2018, will not be accepted.

6. How will my application be assessed?

All applications received will be acknowledged either immediately, if submitted online, or by an acknowledgement letter in the case of written 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 Identification Number (FBID) on or before the closing date of the FBIS-C Tier 1 (Tranche 2) which is 4.00pm on 02 February 2018;
- The applicant has provided a copy of a 'Making it Safer' Certificate for his/her farm business with a completion date on or after 01 December 2017;
- The applicant has completed the proportionate business plan questions in the application form;
- The applicant has provided a copy of a completed Indication of Support Letter from a bank or other lending institution confirming the availability of finances to complete the proposed investment. This must have been completed on or after 11 December 2017;
- The applicant has applied for grant support for items from the Tier 1 (Tranche 2) List of Eligible Items with eligible project costs between £5,000 and £30,000;
- The applicant has not breached the grant limit of £12,000 under Tier 1 (Tranche 1) and Tier 1 (Tranche 2); and
- The application has attained the minimum threshold score of 40 marks.

Applications that have been submitted online will be assessed electronically and awarded 11 marks. Applications that have been submitted in written format (hard copy) will be inputted to the online application system but no marks will be awarded.

Mistakes or inconsistencies in an application could render it ineligible, no matter how minor these may appear to be.

Applications will be scored against the following five selection criteria. Applications must achieve a minimum threshold score of 40 points to be eligible. Applications will then be ranked by total selection criteria score. If the scheme is oversubscribed it may not be possible to fund all projects that meet the minimum threshold score. **In such a scenario, Letters of Offer will be issued to the higher ranking eligible applications, commencing with those that achieve a score of 100 marks and working progressively down the ranking order, according to the available budget.**

The issue of any Letter of Offer of Grant is subject to the availability of funds to the Department.

(1) FBIS-C theme band (maximum 40 marks)

Each eligible item has been assessed according to how closely it aligns with the four scheme themes outlined in the introduction of this booklet, and has been assigned to one of three RDP theme bands with the following marks:

Band 1 - Highest RDP theme band of item – **(40 marks)**

Band 2 - Intermediate RDP theme band of item – **(34 marks)**

Band 3 - Lowest RDP theme band of item – **(28 marks)**

The mark awarded to your application under this criterion will be that of the lowest band item applied for. For example, if you apply for items from both band 1 and band 3, you will be awarded 28 marks (i.e. the band 3 mark).

(2) Value for Money (maximum 39 marks)

The Value for Money (VFM) criterion allows applicants to propose project costs lower than the reference price(s) on the List of Eligible Items. For every 1.00% below the total reference price cost of the items you apply for, you will receive 1.95 marks.

Up to 39.00 marks are available under this criterion. The marks are awarded on a pro rata basis depending on the percentage VFM proposed. Those applicants proposing 20% or more (VFM) will achieve the maximum 39.00 marks. Those applicants proposing less than 20% (VFM) will be awarded points on a pro rata basis. Those applicants who do not choose to apply any VFM will receive 0.00 marks.

For example:

Reference Price	£10,000	Grant at 40%	£4,000
VFM points awarded = 0.00			
VFM Proposed lower project costs	£9,000	Grant at 40%	£3,600
VFM points awarded = 19.50 (based on 10.00% lower project costs)			

Please note that the online application form for Tier 1 (Tranche 2) will apply any VFM reduction as an average across all items included in your application for grant, and not just against any one particular item which you believe could be purchased at a more competitive price than the reference price stated in the List of Eligible Items.

If you complete a hard copy application form, please note that any total grant sought you enter against the total grant amount available for all your items will be applied as a percentage across all items included in your Tier 1 application for grant, and not just against any one particular item which you believe could be purchased at a more competitive price than the reference price stated in the List of Eligible Items.

(3) Online submission (11 marks)

Applications submitted via www.eugrantfundingni.org will be awarded 11 marks for online submission. To fulfill the eligibility criteria, applicants applying online must have uploaded a copy of their **Making it Safer risk assessment certificate** (completed on or after 01 December 2017) and a copy of their **Indication of Support Letter** from a bank or other lending institution dated on or after 11 December 2017.

(4) Age of applicant (5 marks)

Applicants aged 40 years of age or less on 03 January 2018 will be awarded 5 marks. If your application is successful you will be required to provide documentation proving this. The applicant must be a person who is named under the DAERA Category 1 Farm Business ID Number. You may upload a copy of your birth certificate, passport or driving licence as documentary evidence of your age along with your online application or include a copy of one of these documents with a hard copy application. If successful the original documentation must be available for inspection.

(5) Educational Attainment (5 marks)

Applicants holding a Level II qualification in agriculture or horticulture will be awarded 5 marks. If your application is successful you will be required to provide documentation proving this on or before accepting your Letter of Offer. You may upload a copy of your Level II certificate as documentary evidence of your educational attainment along with your online application or include a copy of it with a hard copy application. If successful the original documentation must be available for inspection.

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 FBIS-C theme band, followed by Value for Money and finally online submission. If tied scores still remain, priority will be given to those who applied for items from the List of Eligible Items under RDP Theme E Environment, Weather Resistance and Climate Change.

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

7. Successful applications

The FBIS-C Tier 1 (Tranche 2) is dependent on receipt of financial assistance from the European Commission and the availability of national funds. Should such receipts be suspended or terminated, DAERA may suspend or terminate this grant scheme. Subject to availability of funds, successful applicants will receive a Letter of Offer detailing the items 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 you wish to claim grant towards the VAT element of the project. If applicable, applicants will also be required to provide:

- a signed declaration confirming that the farm business is not VAT registered;
- a copy of the birth certificate, passport or driving licence of the applicant (this is required if the applicant is 40 years of age or less); and/or
- a copy of qualification certificate demonstrating at least a Level II qualification in agriculture or horticulture (Please refer to Criteria 5 (Educational Attainment) of Section 6 – How will my application be assessed?).

Full conditions, commitments and obligations will be stipulated at Letter of Offer stage, and should be carefully considered before any Letter of Offer is accepted. However some of the main conditions of grant for Tier 1 (Tranche 2) of the FBIS Capital are:

- **the Form of Acceptance must be signed and returned, along with any required supporting documentation to Countryside Services Ltd within 28 days of the date of the Letter of Offer. If you do not sign, date and return the Form of Acceptance, along with any required supporting documentation within 28 days of the date of the Letter of Offer, the offer of grant will be withdrawn.** DAERA and Countryside Services Ltd 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 stated in the Letter of Offer. Invoices dated or payments made outside this timeframe will not be eligible for grant;
- applicants who receive a Letter of Offer cannot change any of the items detailed in their application and for which an offer of grant has been made. 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;
- applicants must only purchase the item(s) listed in the project schedule to their Letter of Offer. It is the applicant's responsibility to seek clarification if there is any doubt as to the eligibility of any expenditure. Clarification must be sought from Countryside Services Ltd prior to incurring any expenditure;

- 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 that each item of equipment is installed and operated in accordance with the manufacturer's recommendations. Applicants are obliged to consider the health and safety implications of all funded items;
- funded items must be installed, and operational within 12 months of the date of the Letter of Offer;
- funded items must have been paid for in full before grant can be claimed;
- it is advisable for you to be insured against all risk of injury, damage or loss arising from whatever cause in the course of your project. Any additional expense which may be incurred because of failure to insure or inadequate insurance will not be eligible for financial support. DAERA and Countryside Services Ltd are 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;
- 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;
- DAERA reserves the right to withhold any or the entire grant and/or require part or all of any grant paid to be repaid, and this may include interest thereon; and
- In any case of dispute the decision of DAERA and/or the Managing Agent shall be final.

Applicants must not purchase any of the eligible items listed in the Letter of Offer before the date of the Letter of Offer as expenditure incurred before this date will not be eligible for grant.

Applicants should keep a copy of the Letter of Offer and signed Form of Acceptance for their own records. Applicants will have 4 months from the date of the Letter of Offer to purchase their items and submit a claim. An extension to the Letter of Offer timeframe will only be considered if an item, or items, cannot be supplied within the specified timeframe. In such circumstances written evidence of an order having been placed with a supplier will be required. Requests must be made in writing to Countryside Services Ltd **before the Letter of Offer expires.**

8. Unsuccessful applications

An application for grant will be unsuccessful if:

- (a) the application does not meet the eligibility criteria of the scheme; or
- (b) the application scored below the minimum threshold score of 40 marks;
or
- (c) the scheme is oversubscribed and the application scored insufficient marks under the additional FBIS-Capital Tier 1 (Tranche 2) selection criteria to be ranked high enough to be awarded funding from the available budget.

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, you will 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 a limited time period 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 Stage Two 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.

9. How to claim

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

Please note that:

- you may only claim for items specified in the Letter of Offer;
- only one claim can be submitted. 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. Staged payments, requests for advances or other payment methods will not be considered;
- expenditure incurred outside the timeframes stated in the Letter of Offer will not be eligible for grant;
- all relevant questions in the claim form must be answered and any supporting documents required must be enclosed with the claim;
- any mistakes in the claim form should be crossed out and initialled;
- items purchased using cash are not eligible for grant;
- items purchased in full or in part by “trade ins” are not eligible for grant;
- items purchased using a hire purchase agreement are not eligible for grant;
- items must have been paid in full before grant can be claimed for them. Items must be installed and operational within 12 months of the date of the Letter of Offer;
- the amount of grant claimed must be net of all discounts received;
- 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 1 (Tranche 2) rules. Countryside Services Ltd is required to check the accuracy of claims received;
- claims will only be paid when Countryside Services Ltd is satisfied that the relevant expenditure has taken place and is compliant with the conditions of grant set out in the Letter of Offer. The checking process may include a visit(s) to the farm business;

- the inclusion of ineligible expenditure in a claim could incur a reduction to the grant payable. Further information on penalties and reductions to grant is provided in Section 11;
- debt owed to the Department will be deducted from a claim;
- failure to purchase all the items 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; and
- The reoccurrence of non-compliances identified in previous claims under the same or similar measures of the RDP will be taken into account when determining the nature or amount of any penalty applied.

A valid invoice must be supplied for each item on which you (the successful applicant) are claiming financial support. All invoices submitted with a claim must:

- Be an original invoice;
- Clearly show the supplier's name, address and telephone number and where applicable, the VAT registration number;
- Clearly show the successful applicant's name;
- Show the date of supplying the goods;
- Provide a full description of the goods provided including quantities, serial numbers, where appropriate, and unit price;
- Clearly show the purchase price of each item separate from any associated costs such as delivery charges, commissioning charges and so on;
- Show the total amount due for payment by the successful applicant name;
- Show the amount of VAT charged as a separate item. If the supplier is not VAT registered, a written statement from the supplier should indicate this fact. This written statement should be signed, dated and the person signing should indicate his/her status in the firm, for example, owner, accountant, cashier;
- Show, where appropriate, the net amount actually paid by the successful applicant's name giving details of discount, or credit charges and so on, which fully explain the amount due and amount paid; and
- Be marked with the date of payment and cheque number issued to the supplier or detail of other payment method.

Copies of invoices will be made and originals will be returned to the successful applicant.

Invoices in Euro will be accepted, however, payment of financial support will be made in Sterling. The exchange rate will be calculated based on the date on which the transaction cleared the bank account. The rate used will be determined from the EU exchange rate website:

<http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>

Bank charges incurred against euro/sterling transactions will not be eligible for support.

An original bank statement indicating that the invoice(s) have been paid in full must be provided with the claim.

A percentage check to further verify expenditure may be carried out. **If requested, the Successful Applicant will be required to provide cleared copies of cheques, made in the name of the supplier, for items purchased.** Any bank charges or other charges incurred in providing these copy cheques will be at the successful applicant's own expense.

If your farm business is not VAT registered and you sought support on non-recoverable VAT, a signed declaration that the farm business is not registered with HM Revenue and Customs for reimbursement of VAT is required.

10. Payment of claims

Payment of claims will be made electronically into the bank account or building society account using BACS (formerly known as Bankers' Automated Clearing Services). 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 7129 9084.

Bank details should not be returned to Countryside Services Ltd.

11. 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, including failure to purchase items for which you have been awarded grant 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 may result in penalties being applied and a full or partial reduction of the grant. **Items purchased must satisfy the description of the items as set out in the List of Eligible Items, for which grant has been awarded. If you have any doubt as to the eligibility of an item you intend purchasing you must contact Countryside Services Ltd for clarification.**

There is a requirement to check the accuracy of claims received. In accordance

with Article 63 if a claim is found to be incorrect it will be reduced 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	£20,000
b	Ineligible expenditure in claim	£2,000
c	Eligible expenditure in claim (a-b)	£18,000
d	Ineligible expenditure in claim as a percentage of eligible expenditure in claim (b as a percentage of c)	11%
e	Penalties applied (b)	£2,000
f	Balance of expenditure upon which grant is calculated (c-e)	£16,000
g	Grant rate	40%
h	Grant to be paid (f*g)	£6,400

No reduction will be made if you can demonstrate to the satisfaction of DAERA and/or CSL 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

A matrix will be used to determine the rate and amount of penalty to be applied for non-compliances against commitments and obligations as agreed within the Letter of Offer.

Failure to purchase all the items 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; and the reoccurrence of non-compliances identified in previous claims under the same or similar measures of the RDP will be taken into account when determining the nature or amount of any penalty applied.

All penalties will be proportionate and graduated taking account of the severity, extent, duration and reoccurrence of the non-compliance related to conditions of the grant award.

Claims will be reduced by a set percentage. Article 63 checks and reductions will be made first in order to determine the eligible amount in the claim. Any Article 35 reductions will then be applied to the balance.

Suspected fraud

It is an offence to knowingly provide false or misleading information. Should 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.

Annex A – Tier 1 (Tranche 2) List of Eligible Items

The Tier 1 (Tranche 2) List of Eligible Items is available at the following link and should be read in conjunction with the rest of this Explanatory Booklet:

<https://www.daera-ni.gov.uk/publications/farm-business-improvement-scheme-capital-tier-1-tranche-2-eligible-items>

Grant support is only eligible towards the purchase cost of **new** (not second hand) items that are on the list. Items which are not on the list are not eligible for grant support under Tier 1. The items have been reference priced to establish the maximum project costs eligible for grant support. Please note that a number of additional items are now available for support that were not previously eligible under Tranche 1.

Note – the List of Eligible Items issued previously under Tier 1 (Tranche 1) is no longer valid.

Annex B - Ineligible Expenditure

The following expenditure cannot be funded.

- 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;
- Payments made for items in full or in part by “trade ins”
- Invoices dated before the date of the Letter of Offer;
- Expenditure incurred or payments made before the date of a Letter of Offer;
- Claims received by Countryside Services Ltd 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);
- Construction of buildings;
- Delivery costs;
- Installation costs (with the exception of fencing items - item codes F67, H38 and H39);
- Commissioning costs;
- Site works;
- Services and fuel supplies e.g. water, oil, gas etc.;
- Planning permissions;
- Computer hardware such as pc, laptop, printer etc.;
- Professional fees;
- Training on the use of items;
- Subscription charges on items;
- Items purchased using hire purchase;
- Warranties;
- Insurance;
- Maintenance;
- Running costs;
- Labour costs (with the exception of fencing items - item codes F67, H38 and H39);
- 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; and
- Purchase and installation of renewable energy investments.

Annex C - How to complete an online application form

A visual guide on how to complete your Farm Business Improvement Scheme - Capital, (FBIS-C) Tier 1 (Tranche 2) application for funding online is available at <https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-online-application-guidance>.

This guide covers all the steps needed to submit your online application, laid out as a visual screen by screen guide.

IT SHOULD BE READ IN CONJUNCTION WITH THIS BOOKLET, WHICH DETAILS THE SCHEME REQUIREMENTS.

You can either follow the text walkthrough or the screenshot walkthrough to completing your online application. Both are included in the document.

Please note the opening date for submitting applications to Tier 1 (Tranche 2) of FBIS-C is 4 January 2018.

Annex D – How to complete a hard copy application form (if you are unable to complete it online)

Hard Copy Application Form and guidance

A hard copy application form and guidance can be requested from Countryside Services Ltd on 08450 267535, or downloaded at:

<https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-hard-copy-application-form-and-associated-guidance>

Completed application forms should be returned to:
Countryside Services Ltd
Farm Business Improvement Scheme Capital – Tier 1
97 Moy Road
Dungannon,
Co Tyrone
BT71 7DX

****Please note that hardcopy applications will be accepted but will not benefit from the additional marks awarded for online applications. * The opening date for submitting applications to Tier 1 (Tranche 2) of FBIS-C is 4 January 2018.***

Annex E - Selection Criteria Scoring for Tier 1 (Tranche 2)

A minimum score of **40** is set, below which an application will not be funded. If the scheme is oversubscribed it may not be possible to fund all projects that meet the minimum threshold score. In such a scenario, eligible applications will be ranked by score and Letters of Offer will be issued to the higher ranking applications **according to the available budget.**

Selection criteria	Marks awarded to application	Guidance on allocation of score
Alignment with FBIS Themes Score based on how the selection of item meets FBIS-Capital themes. (maximum 40 marks)	40	All items on FBIS-C Tier 1 (Tranche 2) application “Band 1”
	34	One item or more on FBIS-C Tier 1 (Tranche 2) application “Band 2” - no “Band 3” items
	28	One item or more on FBIS-C Tier 1 (Tranche 2) application “Band 3”
	Note: The mark awarded under this criterion will be the lowest band applied for.	
Value for money (maximum 39 marks) Total maximum grant allowed for all items applied for will be used to calculate this score	39	Grant sought 20% or more below maximum grant allowed for item(s).
	Marks allocated pro-rata to 2 decimal places between these. (1.95 marks awarded for each 1.00% of grant sought below the maximum grant allowed).	
	0	Maximum grant allowed for item(s) sought
Online application (maximum 11 marks)	11	Application and supporting documents (<i>Making it Safer</i> risk assessment certificate dated on or after 01 December 2017 and Indication of Support Letter from a bank or other lending Institution dated on or after 11 December 2017) submitted online.
	0	Application and supporting documents (<i>Making it Safer</i> risk assessment certificate dated on or after 01 December 2017 and Indication of Support Letter from a bank or other lending Institution dated on or after 11 December 2017) submitted as hard copy.

Age of farmer (maximum 5 marks)	5	Applicant is 40 years or less on 03 January 2018 and is named on the DAERA Category 1 Farm Business ID number
	0	Applicant is over 40 years of age on 03 January 2018
Educational attainment (maximum 5 marks)	5	Applicant has an appropriate agricultural or horticultural qualification (Level II or equivalent)
	0	Applicant does not have an appropriate agricultural or horticultural qualification (Level II or equivalent)

Annex F – Fencing Specification and Installation Guidelines

There are 3 types of enhanced fencing (Item codes F67, H38 and H39) which are eligible under FBIS-C Tier 1 (Tranche 2). The specifications for these fencing options, along with information on cross-compliance considerations, health and safety and environmental risks are available at the following link:

<https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-fencing-specification-and-installation-guidelines>

This document must be read in conjunction with the FBIS-C Tier 1 (Tranche 2) Explanatory Booklet and List of Eligible Items.

If you apply for fencing items and your application is successful, you will be required to complete a Proposed Fencing Location Form (PFL 1) which must be completed and returned within 10 days of the date of your Letter of Offer. The PFL 1 form requires you to provide details of the Farm Survey Number, field number, fencing item code and length of proposed fencing to be erected.

A member of DAERA staff will then contact you to arrange an on farm visit to ensure the locations of your proposed fencing are compatible with the requirements as FBIS-C Tier 1 Fencing Specification and installation guidelines. On completion of this farm visit you will receive a farm map for your records outlining the locations identified for your grant funded fencing. **You must not** install any grant funded fencing in advance of receiving this agreed map. At claim stage **you must** include proof from the supplier that the posts used are guaranteed for a minimum of 15 years. Gates or distances spanned by gates are not eligible.

Annex G – Prefabricated Biosecurity Unit Specification

Prefabricated Biosecurity Unit to improve animal and plant health (Item F26).

Grant support per square metre and available up to **26 square metres** (minimum 4 square metres).

To include as essential:

- Biosecurity signage on outer wall of unit to warn and advise visitors;
- Dedicated personnel only entry and exit points (no animals);
- Shelf to keep a visitor book;
- Bench Seating on “dirty” side to allow removal of outer clothing and footwear;
- Lockers on “dirty” side to store clothing and personal items;
- Decontamination layout shower plumbed with running hot water, soap dispenser and provision of appropriate signage. For example “You must shower”;
- Low physical barrier to create a line of separation between “dirty” and “clean” areas;
- Clearly demarcated hazard line at the physical barrier between “dirty” and “clean” areas;
- A toilet;
- A wash hand basin (knee operated or with an automatic sensor) with running hot water, soap dispenser and hand sanitizer dispenser;
- Provision on the wall at the wash hand basin to allow for provision of signage advising of correct hand washing protocol;
- Bench Seating, Lockers and Boot Rack on “clean” side to facilitate dressing in house specific clothing and footwear; and
- Areas designated as “dirty” and “clean” to be clearly demarcated with different coloured flooring and lockers.

Ineligible Items

- Canteen/kitchen facilities;
- Site preparation, ramps, access steps; and
- Connection to Services (Water, Electric, Sewage).

Applicants should consider the need for Consent to Discharge, Planning Permission or other relevant consents.

Annex H – Approval to incinerate animal by-products

Incineration of animal by-products cannot commence until approval has been issued by DAERA. FBIS – C Tier 1 grant on incinerators will not be paid until approval has been issued by DAERA.

Applications must be made to DAERA Veterinary Service. This can be done by downloading an application form from the DAERA website. Applicants can also contact DAERA Veterinary Service by telephoning 028 7034 1386.

Applications 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 be reviewed by a DAERA 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. An inspection will be carried out to witness compliant operation before an approval can be issued.

Further information:

<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>

Annex I – Tensioned covers for above ground slurry stores

Tensioned covers for above ground slurry stores (item E44) must conform to [The Control of Pollution \(Silage, Slurry and Agricultural Fuel Oil\) Regulations \(Northern Ireland\) 2003](#) (SSAFO). They must have a minimum design life of 20 years (with maintenance) and satisfy the relevant British Standards. It is your responsibility to examine copies of the relevant standards and use the most up to date version.

Install a rain proof self-supporting cover when the store is empty, supported above the slurry store and fastened by tensioners to the side of the tank.

Ensure the tank is structurally sound and able to support the cover. An engineer's certificate confirming this must be included with any claim for this item. You are advised to consult with an engineer prior to submitting an application for this item.

Display appropriate signs to warn of the dangers of confined spaces and fragile covers.

Ensure that rainwater is directed away from the slurry store into a clean water drain or rainwater harvesting system.

The following costs are ineligible for grant:

- Floating covers, covers on stores constructed prior to 21st July 2003 [SSAFO Regs (NI) 2003]; and
- Engineer's certificate

Annex J – Relevant Legislation

This 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 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 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 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 318 Agriculture - The Common Agricultural Policy (Review of Decisions) Regulations (Northern Ireland) 2015.

Statutory Rule No 326 Agriculture -The Rural Development Programme Regulations (Northern Ireland) 2015

Annex K – 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. Pesticide application equipment

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

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, Countryside Services Ltd 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 1 (Tranche 2)

Explanatory Booklet

