

# Rural Development Programme 2014 – 2020



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

**Please read this brochure 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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# 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 1)

## Information Brochure



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# 1. Introduction

This document is the Explanatory Booklet for Tier 1 (Tranche 1) of the Farm Business Improvement Scheme – Capital (FBIS-C), and provides information on the list of eligible items (Annex A); ineligible expenditure (Annex B); how to complete your application online (Annex C) and in hardcopy (Annex D); selection criteria (Annex E); and specific rules for fencing investments (Annex F). Please note that some of these annexes are provided as separate documents.

**Please note the closing date for applications to Tier 1 (Tranche 1) of FBIS-C is 4pm on 16 December 2016.**

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 is part of the overarching FBIS. It is funded under Measure 4 (Business Investment Scheme) of the RDP 2014-20. It has two tiers – Tier 1 and Tier 2. It is governed by the legislation listed at Annex G. 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 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 of Tier 1 only 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 of Tier 2 only 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 the RDP 2014-2020.**

This booklet provides an overview of Tier 1. **Please read it carefully** as it contains important information about Tier 1 (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 to Tier 1 (Tranche 1) applicants 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 as defined in this Booklet: 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> <p>For Tier 1, extra selection criteria points are available for applicants aged 40 years or less on 28 October 2016. This must be the applicant who is named</p>

			under the DAERA Category 1 Farm Business ID Number.
2	<b>Completion of farm safety training and assessment: Completion of the Making it Safer Self Assessment Certificate</b>	<p>All applicants <b>must complete</b> the Making it Safer Self Assessment and provide a 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 issued once the applicant has completed the self assessment. This certificate must be 'uploaded' as part of the online application process. <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</b> or it will not be accepted and the application will be <b>deemed ineligible</b>.</p>	<p>The applicant can meet this eligibility criterion by completing the online self assessment at the following link:</p> <p><a href="http://www.farmsafenet.org/Safer">http://www.farmsafenet.org/Safer</a></p>
3	<b>Completion of a proportionate business plan: completion of the Tier 1 application form</b>	All applicants must complete the Tier 1 application form, which includes high-level questions on the proposed project and business outcomes.	The applicant can meet this eligibility criterion by completing the Tier 1 application form.
	<b>Scheme Rules</b>	<b>What does this mean?</b>	<b>How can I meet the scheme rules?</b>
4	<b>Indication of Support Letter from a bank or other lender</b>	<p>All applicants <b>must submit</b> 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>Once the applicant has</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> (b) Countryside Services Ltd website or (c) at the following link:</p>

		received this confirmation from the bank or other lending institution the Indication of Support Letter should be uploaded to meet the scheme rule.	<a href="https://www.daera-ni.gov.uk/sites/default/files/publications/daera/DAERA%20FBIS%20Capital%20Indication%20of%20Support%20Letter%20-%20final%202016.pdf">https://www.daera-ni.gov.uk/sites/default/files/publications/daera/DAERA%20FBIS%20Capital%20Indication%20of%20Support%20Letter%20-%20final%202016.pdf</a>
5	<b>Eligible project costs, based on reference price, must be between £5,000 and £30,000</b>	Total items selected from the Eligible List must have a minimum value of £5,000 project costs, and a maximum reference price of £30,000.	Submit an application including only items from the Tier 1 Eligible List between the value of £5,000 and reference price of £30,000.

### 3. List of eligible items for grant

DAERA has developed a list of eligible items informed by consultation with stakeholders. The 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 A** – Environment, Weather Resistance and Climate Change

**Code B** – Animal and Plant Health

**Code C** – Occupational Health and Safety and

**Code D** – Production and Resource Efficiency

**The Tier 1 List of eligible items is at Annex A.**

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>.

**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. This can also be viewed at:**

Grant support is only available towards the purchase cost of **new** 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 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 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).**

Grant support payable will be 40% of the reference price specified for each eligible item in the Eligible List, or 40% of the actual purchase price of each item, whichever is the lesser. If successful, the maximum grant payable will be detailed in 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 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.eugrants.org](http://www.eugrants.org).**

**Guidelines on how to complete an online application are provided at Annex C. These guidelines is also available [www.countrysideservices.com](http://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 extra score 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 [www.countrysideservices.com](http://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 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 Countryside Services Ltd in writing on or before the closing date (4pm, Friday 16 December 2016). 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 Countryside Services Ltd for assistance.

Please note that completion of a FBIS-C Tier 1 (Tranche 1) 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 1) i.e. after 4pm, Friday 16 December 2016, 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 ID
- The applicant has a 'Making it Safer' Certificate.
- The applicant has completed the proportionate business plan questions in the application form.
- The applicant has provided a completed Indication of Support Letter confirming the availability of finances to complete the proposed investment.
- The applicant has applied for grant support for items from the Eligible List with eligible project costs between £5,000 and £30,000.

**Applications that have been submitted online will be assessed electronically. Applications that have been submitted in written format (hard copy) will be input onto the online application system but no score will be awarded for having submitted an application online (11 marks).**

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.**

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

**(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 plant and equipment – **(40 marks)**

**Band 2** – Intermediate RDP theme band of plant and equipment – **(34 marks)**

**Band 3** - Lowest RDP theme band of plant and equipment – **(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 up to 20% lower than the reference price(s) on the Eligible List.

Up to 39 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% (VFM) will achieve the maximum 39 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 VFM will receive 0 marks.

For example:

Reference Price	£10,000	Grant at 40%	£4,000
VFM points awarded = 0			
VFM Proposed lower project costs	£9,000	Grant at 40%	£3,600
VFM points awarded = 19.5 (based on 10% lower project costs)			

**Please note that the online application form for Tier 1 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 better price than that listed in the eligible item list.**

**(3) Online submission (11 marks)**

Applications submitted via [www.eugrants.org](http://www.eugrants.org) with an uploaded 'Making it Safer' certificate and an 'Indication of Support Letter' will be awarded 11 marks for Online Submission.

**(4) Age of applicant (5 marks)**

Applicants aged 40 years of age or less on 28 October 2016 will receive 5 extra 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.

**(5) Educational Attainment (5 marks)**

Applicants holding a Level II in agriculture or horticulture will receive 5 extra marks. If your application is successful you will be required to provide documentation proving this.

**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 on the Eligible List under RDP Theme A Environment, Weather Resistance and Climate Change.

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

## **7. Successful applications**

**Information on timescales for Letters of Offer being issued will be made available on the DAERA website, following the closing date for Tier 1 (Tranche 1).**

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 should also 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).
- 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?)

The main conditions of grant for Tier 1 (Tranche 1) of the FBIS Capital are:

- **the Form of Acceptance must be signed and returned 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 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.
- 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 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 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.

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

**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 normally 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 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 submitted does not meet the eligibility criteria of the scheme;**
- (b) the application submitted scored below the minimum threshold score of 40 marks; or**
- (c) if Tier 1 (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, 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 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.

## 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 must be installed, operational and have been paid in full before grant can be claimed for them;
- 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 1) 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 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 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.

## 10. 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.

**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 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.

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	£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

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

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.

**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 List of Eligible Items

The Tier 1 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/fbis-capital-scheme-tier-1-eligible-items>

Grant support is only available towards the purchase cost of **new** 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 set the maximum project costs eligible for grant support.

## **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
- 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
- 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
- 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.

## **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 1) application for funding online is available at <https://www.daera-ni.gov.uk/publications/fbis-capital-scheme-tier-1-online-application-guidance>.

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

THE DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE FBIS-C TIER 1 (TRANCHE 1) EXPLANATORY 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.

## **Annex D – How to complete a hardcopy application form**

### **Hard Copy Application Form and guidance**

A hard copy application form and guidance can be requested from Countryside Services Ltd on 0845 026 7535, 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 extra score awarded for online applications. \****

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

A minimum score of **40** is set, below which an application will not be funded.

<b>Selection criteria</b>	<b>Score given to application</b>	<b>Guidance on allocation of score</b>
<b>Alignment with FBIS Themes</b>  Score based on how the selection of item meets FBIS themes. Eligible items pre-selected  (maximum 40 marks)	40	All items on FBIS application “Band 1”
	34	One item or more on FBIS application “Band 2” - no band 3 items
	28	One item or more on FBIS application “Band 3”
	Note: The mark awarded under this criterion will be the lowest band applied for.	
<b>Value for money</b>  (maximum 39 marks)  Total of all items applied for will be used to calculate this score	39	Grant sought 20% or more below reference price for item
	Marks allocated pro-rata to 2 decimal places between these.	
	0	Grant sought at reference price
<b>Online application</b>  (maximum 11 marks)	11	Application and supporting documents submitted online
	0	Application and supporting documents submitted on paper
<b>Age of farmer</b>  (maximum 5 marks)	5	Applicant is 40 years or less on 28 October 2016 and is named on the DAERA Category 1 Farm Business ID number
	0	Applicant is over 40 years of age at 28 October 2016
<b>Educational attainment</b>  (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

## **Annex F – Fencing Specification and Installation Guidelines**

There are 3 types of enhanced fencing which are eligible under FBIS-C Tier 1 (Tranche 1). 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 Explanatory Booklet and the Tier 1 Eligible List.

## **Annex G – 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 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>