

Farm Resource Efficiency Programme (FREP)

Guidance Notes for Applications to Round 10 – Deadline 12:00pm 3rd October 2011

What is this grant programme?

The FREP is available to improve the economic performance of agricultural and horticultural holdings through the introduction of new technology to promote the efficient use of energy, manure and water resources. The funding will assist the purchase of capital equipment to achieve business and environmental benefits, with the **principle benefit** of the technologies being towards the farming enterprises **and not domestic use**.

UPDATES TO THE PROGRAMME – AUGUST 2011

New Technologies Added to the Programme

Voltage Optimisation - this technology deals with the discrepancy between supply voltage and the optimum voltage electrical equipment needs therefore making savings on electricity bills.

Floating Slurry Store Covers – impermeable floating slurry store covers can be used to collect rainwater off. This technology is only eligible as part of a wider rainwater harvesting project.

What kinds of project will be covered?

Equipment purchased will aim to improve farm business resource efficiency by reducing waste, energy and/or water use, and includes the following eligible technologies:

Renewable power - such as heat capture units and voltage optimisation.

Renewable heat - such as heat exchange systems.

Rainwater harvesting/water-recycling systems - including fixed pumps, UV filtration systems, piping, and storage tanks.

Silage/Slurry store roofs (floating or fixed) - ONLY where these costs are part of a wider farm rainwater harvesting application.

Manure management - including mechanical slurry separator systems, trailing shoes, injectors and dribble bars.

Technical fees associated with the commissioning of the above systems would also be eligible.

Should you wish to increase farm resource efficiency through technologies not included in the above list you should contact CO2Sense to clarify the eligibility of the proposal for FREP.

Please note that we will consult with Natural England on all applications received.

*For manure management technologies an Environment Agency compliance check will be carried out as part of the appraisal of applications.

**Applicant businesses must currently use splash plate/high trajectory kit either through their own machinery or contractors. Where the proposal is to replace high trajectory kit (i.e. spreading trajectory 4 metres above ground) the eligible amount will be reduced by £5,000 to reflect the legislative ban on the use of this equipment in NVZ areas.

Are there any restrictions or exclusions?

The fund is limited in size and if oversubscribed may result in unsuccessful applications or lower grant awards.

Grants cannot be offered or paid on items which have been ordered or paid for before approval of grant has been obtained from DEFRA.

Exclusions - The following are **not** eligible for funding:

Infrastructure to assist the meeting of statutory responsibilities and the cost of regulatory fees, general maintenance costs, manure storage, roofing, guttering or concreting the floors of livestock yards and buildings, stand alone roofing costs for slurry and silage stores, slurry transport systems such as vacuum and pumped tankers, umbilical and irrigation systems and replacement of existing equipment.

How much is available?

Applications for grant investment should be for a maximum of £25,000 and minimum of £1,500.

Support can be paid at a grant rate of up to 50% and 60% on eligible costs of between £2,500 and £50,000 depending on your project. Please find below a table to work out which grant rate your project falls under.

Applications can be made for one or all the eligible technologies; however, the £25,000 grant ceiling applies per business per funding round.

Type of Project:	Available Grant Rate:
Renewable power and heat projects, slurry separators and slurry application kit	Up to 50% (Up to 60% if in a Less Favoured Area)
Rainwater harvesting systems including associated slurry stores and silage clamp roofs (floating or fixed)	Up to 50%

Who can apply?

Agricultural and horticultural businesses in the Yorkshire and the Humber region can apply. This includes dairy, suckler beef, beef finishing, sheep, pigs, poultry, arable and horticultural production. Agricultural contracting businesses are eligible to apply for funding towards one piece of eligible slurry application kit.

Businesses must have professionally prepared farm accounts, the **grant required must not exceed 25%** of

business turnover and the business must either be in receipt of Single Farm Payment or be operating a commercial pig, poultry or horticultural production unit.

Technologies may also benefit an established farm diversification enterprise where the income from the diversification is ancillary to the farming income, i.e. the farming income is still the main income.

Eligibility of Renewable Heat and Water Projects:

No more than 40% of the heat/water generated by the technology must be required to meet/offset on farm domestic needs.

Businesses that are not eligible under FREP include fish farms, garden centres, stables and livery and small holdings.

Spatial priorities and sectors

The FREP is a competitive programme and applications will be awarded funding based on whether they offer value for money.

The appraisal and scoring of applications considers:

- The level of financial and environmental savings enabled by the technology;
- The location of projects – applications will score higher where they fall within Upland Areas (LFA) and NVZs, these being priority spatial areas;
- The agricultural sector – livestock sectors have been identified as priority sectors with partners;
- Purpose of technology – projects where the principle purpose is to reduce farm costs will score higher than projects that are principally about generating diversified income.

Where does the money come from?

The programme is managed by DEFRA and delivered by CO2Sense. Funding for the FREP comes from the Rural Development Programme for England (RDPE) financed by the European Agricultural Fund for Rural Development (EAFRD) and Defra.

Application requirements

In order for an application to be registered and proceed to appraisal applications will need to provide:

1. A completed, signed and dated application form (electronic and hard copy);
2. Completed calculations for your relevant technology(s) using the templates provided on the application form document (electronic and hard copy);
3. Supporting documents as detailed on the application form (hard copy).

Guidance on the information required in each of the above is provided in the following sections of this guidance.

APPLICATION FORM REQUIREMENTS

Front Page – Introduction

Please provide details of how you found out about this programme. This is important for the successful promotion of the programme in the future.

Section 1 – Applicant Details

1. Enter name and date of birth of the contact for the applicant business (person responsible for claiming grant within business), details of the business requesting grant investment including name, Single Business Identifier (SBI), type of business, full address and contact details for the applicant farm business.
2. Indicate the size of business by crossing the appropriate box.
3. Should you have an agent or adviser who you wish to handle this application, enter their contact details.
4. Enter the enterprise details of your farm business.
5. Confirm whether the business is in receipt of Single Farm Payment.
6. A) Confirm the area of your holding, in hectares, within the listed designations. B) Where the maximum grant is requested please detail what this will enable in terms of other investment on the holding.
7. Identify any other relevant background information relating to the applicant, business and site.

Section 2 – Details of Proposal

8. Insert the address at which the **investment will be located** if this is different to the business correspondence address identified in Section 1.
9. Describe the nature, function and purpose of the proposed equipment, provide a brief rationale as to why you want to invest in the equipment and summarise the positive impacts it will have on the business.
10. RESULTS - Enter the financial/environmental benefits the equipment will provide. **These Results should be identified through the use of the standard calculation templates provided with the application form and as per the supporting calculation section of these guidance notes.** All possible benefits should be considered - **the higher the range of benefits identified the stronger the likelihood of a grant award.**
11. If you require landlords consent and/or planning permission please provide a copy of the approval documentation. Please note that planning permission includes permitted development consent.

If this application is for the erection of a permanent/fixed structure, that you believe does not need planning consent, please provide written confirmation from the relevant authority that permission is not required.

If you require any other statutory consents and/or if the grant application is part of a wider project that requires consents copies of these should also be provided with this FREP application.

12. Enter when you propose to start the project, this should be no earlier than the projected funding decision date (18th November 2011).

Enter the completion date of the works, i.e. when your grant claim would be submitted by (when the works have been completed and paid for), this should be no later than the 1st March 2012.

Section 3 – Proposal Funding

13. For each cost enter details of your preferred supplier, a description of the item and the cost of that item. If you are VAT registered provide project costs net of VAT, if you are not VAT registered provide the proposal costs gross of VAT. The total of all the costs should then be calculated and inserted.
14. The other two comparative quotes obtained for the items listed at question 13 should be summarised in the box. A copy of the comparative quotes obtained should be submitted as supporting information. **Please note that quotes need to be current.**
15. If three quotes have **not** been obtained, you must detail why in the boxes provided. For example can you provide details of companies you have contacted for a quote that have not got back to you? If you identify that there are not a sufficient number of suppliers to obtain three quotes you must confirm what research you have done to ascertain this and what alternative technologies you have considered.
16. Should your chosen supplier not be the cheapest of the quotes obtained please detail the reasons you have gone for a more expensive supplier.
17. Identify any items of equipment you propose to purchase that will be second hand. Second hand equipment can be purchased **providing** it is accompanied by a declaration stating that it has not been grant aided before. This declaration needs to be from the supplier identifying previous owners of the item and confirming that the item has never previously been purchased using grant monies.
18. Identify how you propose to fund your share of the proposal costs and how you will fund 100% of the costs in the short term prior to grant payment being made. Your application should provide supporting evidence to confirm the availability of the proposed funding package.

NB The use of HP or lease arrangements is not a form of eligible match funding under the FREP

19. If yes to this question please speak to CO2Sense, other public funding cannot be used to purchase equipment which is also funded via a FREP grant.
20. If the project will proceed with **or without** the grant in the next six months enter Yes. Enter No if grant investment is essential for the project to proceed.

21. If you will be proceeding with the purchase of the equipment within the next six months to three years, with **or without** the grant enter Yes. Enter No if not.
22. Please state (in months) how long you have been considering purchase of the equipment for which you have applied for a grant.

Section 4 – Declaration

23. Please cross the box to confirm that full copies of professionally prepared farm accounts covering 4 years (e.g. accounts for yearend 31st March 2011 and 31st March 2010) are included with your application – these are required so we can assess the viability of the business.
24. We cannot invest in businesses which are in difficulty. A firm in difficulty is defined as:

A firm in difficulty is one unable, through its own resources and without outside intervention by the public authorities, to stem losses which will almost certainly condemn it to go out of business in the short or medium term. In addition, a firm is regarded as being in difficulty if it is:

- *a limited company where more than half of its registered capital has disappeared and more than one quarter of that capital has been lost over the preceding twelve months;*
- *an unlimited company where more than half of its capital has disappeared and more than one quarter of that capital has been lost over the preceding twelve months;*
- *a company fulfilling the criteria of insolvency under its domestic law.*

Should the applicant business **not** fall within the above definition please cross the box.

25. Qualifications could include degrees or diplomas, NPTC courses or other relevant accredited courses e.g. Eblex Better Returns for sheep/beef.
26. Enter your VAT status.
27. List the type of EC support you have received for example this includes IACS, Single Farm Payment, environmental stewardship schemes, energy crops, diversification grants and training grants.

Please identify if you have been refused any EC support / had any EC support recovered since 2000.
28. Ensure that all relevant supporting documents are attached to the hard copy of your application and insert yes, no or n/a (not applicable) in each box to indicate which supporting documents are enclosed.
29. Cross the box if you are authorising an agent/adviser to act on your behalf.
30. Please sign, date and print your name to confirm the correctness of all the information included within your application and agreement to the terms and statements stipulated on the application form.

SUPPORTING CALCULATIONS

Applications need to identify the savings that the business will make once the equipment is installed. This should be done by completion of the calculation template(s) relevant to the proposed technology and these templates are provided with the application form document.

The savings identified by these calculations will enable completion of Question 10 of the application form – RESULTS. A copy of the calculations should be submitted with your application.

Within the answer boxes on the calculation template figures should be inserted - not symbols such as £, this will ensure the automatic formulas work. Relevant symbols or text can be inserted into the adjacent 'notes' box.

Please note that the calculation templates largely require insertion of basic information with the templates calculating much of the answers for you. Information you will require to complete the calculations is as follows:

RENEWABLE POWER AND HEAT PROJECTS - copies of the farms electricity/fuel bills for **the last year** or an email/letter from your energy supplier confirming the total units used, current price per unit and total spend for that year (excl VAT) and information on the power capacity of the technology.

Heat exchanger applications will also require a sketch map identifying poultry units & building dimensions.

RAIN WATER HARVESTING PROJECTS - copies of the farms water bills for **the last year** or an email/letter from your water supplier confirming the total units used, current price per unit and total spend for that year (excl VAT), monthly average rainfall levels for your area, area of roof from which water is to be collected and information on your chosen system.

MANURE MANAGEMENT PROJECTS – current compound fertiliser use, the quantity of annual slurry produced by the farm and either slurry analysis results for the farm or the document RB209 (see below).

NB Agricultural contractors applying for slurry application kit will need their records on slurry spread over the previous year and the estimated spreading requirements of those clients who wish to use the proposed new kit.

For any technologies not listed above you should contact CO2Sense to identify that your proposal is eligible to apply and what information you will need to submit to support your application.

SUPPORTING DOCUMENTATION

ALL BUSINESSES - Regardless of the type of technologies you are applying for please provide:

1. Supporting calculations (completed to the best of your knowledge) identifying the savings the technology will enable;
2. **Three** quotes for the equipment on which you are applying for grant;
3. Copy of last years professionally prepared farm accounts covering 2 years.

4. Confirmation of private funding source(s);
 - o Confirmation of funds for the non grant % of eligible costs;
 - o Confirmation of funds for 100% of any ineligible costs inc VAT;
 - o Confirmation of short term funding for the grant element of eligible costs.
5. Detailed sketch map of the farmyard, buildings and works to be completed.

RENEWABLE POWER AND HEAT PROJECTS including heat capture units, heat exchangers and voltage optimisation units.

Supporting information must *also* include:

- Copies of the farms electricity/fuel bills for **the last year** or an email/letter from your energy supplier confirming the total units used, current price per unit and total spend for that year (excl VAT), this must show the quantity of energy consumed e.g. kWh or litres of oil.
- A sketch map identifying the poultry units & building dimensions - please highlight which building/s will have the heat exchanger/s on (heat exchanger applications only).
- Evidence of carbon labeling for the equipment should be obtained (if available) from the supplier/manufacturer.
- Evidence of savings to be made from the supplier/manufacturer (voltage optimisation units only).
- List of farm based machinery running off the electricity supply (voltage optimisation units only).

Please Note: If you provide information directly from your supplier on your usage you may be asked to supply your actual bills for that period at a later date for auditing purposes.

Useful information relating to renewable energy projects and associated savings can be found at:

Carbon Trust – www.carbontrust.co.uk

CO2Sense - www.co2sense.co.uk

CALM (Carbon Accounting for Land Managers) - www.cla.org.uk/Policy_Work/CALM_Calculator/

Energy Savings Trust - www.energysavingtrust.org.uk/uploads/documents/housingbuildings/ce72.pdf

RAIN WATER HARVESTING/RECYCLING PROJECTS - supporting information must *also* include copies of the farms water bills for the last year or an email/letter from your water supplier confirming the total units used, current price per unit and total spend for that year (excl VAT). The farm sketch map should indicate the buildings from which water is to be harvested and the roof areas (m²).

Please Note: If you provide information directly from your supplier on your usage you may be asked to supply your actual bills for that period at a later date for auditing purposes.

Useful information relating to rainwater harvesting and other grant funding can be found at:

Rainwater Harvesting: an on farm guide

<http://publications.environment-agency.gov.uk/pdf/GEM1109BRGU-e-e.pdf>

UKRHA – www.ukrha.org/index.php

CSF Capital Grants scheme - www.naturalengland.org.uk/ourwork/farming/csf/cgs/default.aspx

SILAGE AND SLURRY STORE ROOFS (FLOATING OR FIXED) AS PART OF A RAINWATER HARVESTING PROJECT – as for above (rainwater harvesting equipment) plus a copy of the relevant planning consent(s).

MANURE MANAGEMENT PROJECTS

All applications for **slurry application kit** must also provide the following supporting documents:

- Where quotes are for complete systems these will need to be itemised showing clearly the cost associated with the tanker and distribution kit.

Applications from **agricultural contractors** should provide the above and letters from clients confirming demand for the proposed kit, these letters should identify the estimated quantity of slurry they will require spread by the new kit and if applicable acknowledge any higher contracting charges that this will incur.

Please Note: Your fertiliser application records may be requested at a later date for auditing purposes to confirm your current compound fertiliser use.

Useful information relating to manure management and associated savings can be found at:

RB209 - <http://archive.defra.gov.uk/foodfarm/landmanage/land-soil/nutrient/documents/rb209-rev-100609.pdf>

MANNER - www.adas.co.uk/MANNER/tabid/270/Default.aspx

PLANET – a software package based on the 'Fertiliser Manual (RB 209)' – www.planet4farmers.co.uk

TRIED & TESTED - Nutrient management plan developed by industry – www.nutrientmanagement.org

The notes and signposting identified in this document are for guidance only. CO2Sense is not responsible for the content of other websites. Other tools exist to develop your calculations. Please provide your assumptions in all cases.

ADDITIONAL NOTES FOR THE PROGRAMME

Grants offered will be between £1,500 and £25,000 and will not exceed 60% of the total cost of the eligible equipment.

Successful applicants will be required to have installed the equipment and submitted their grant claim by 1st March 2012 (post 1st March 2012 claims will need to be agreed with CO2Sense).

We will acknowledge receipt of your application within 5 working days of the deadline, 12:00pm 3rd October 2011, and you will be informed of a decision by the 18th November 2011. **You must not commit to buying any equipment which is specifically related to this grant application until a "grant confirmation letter" has been received from CO2Sense.** Equipment must not have been purchased already - such equipment being ineligible for FREP funding.

If your application is approved it can be selected for monitoring for up to 5 years after the payment of the grant, to ensure the conditions of the offer have been maintained and the equipment is still in situ and being used for the purposes of the award. This includes delivery against the outputs and results you identify in your application. Grant can be re-claimed if any breach of the contract is found within this period.

We treat proposals in the strictest confidence, as do any project subcontractors working for us, any independent assessors and the panel members. You should also put in place the appropriate confidentiality measures with potential project collaborators, partners and subcontractors when preparing your proposal.

Please ensure that **you retain copies of everything you submit to CO2Sense for your own records**. We will securely store all documents for the period required to satisfy European Regulations, and then destroy them in line with our normal procedures.

Please note that if your application is successful, the European Agricultural Fund for Rural Development (EAFRD) regulations require you to acknowledge the public funding allocated to the proposal in any publicity material and activities. Specific information regarding all approved applications will be in the public domain, in order to meet EAFRD regulations.

FREP is managed by DEFRA and delivered by CO2Sense. CO2Sense is a subsidiary of Yorkshire Forward that specialises in helping businesses and organisations across the region cut their waste and emissions.

Who do I contact? To find out more or if you have a query about the application process please contact:

Vicky Wren , FREP Project Manager

Tel: 0113 237 8461

Mobile: 07540 674634

Email: vicky.wren@co2sense.co.uk

Information on subsidised training available to farm businesses through Landskills covering such topics as nutrient management and farm energy auditing is available at www.lantra.co.uk/Landskills, alternatively you can contact Julie Hamilton on 01226 766500.

Where should my completed application be sent?

Please e-mail the application form and supporting calculations to vicky.wren@co2sense.co.uk and submit a signed hard copy of the form with your supporting documentation/information to:

Vicky Wren

CO2Sense – FREP Application

2 Victoria House

Victoria Place

Leeds

LS11 5AE