

Agriculture and Fisheries Grant Scheme (AFGS)

FREQUENTLY ASKED QUESTIONS

Agricultural and Horticultural Production Businesses

Can tenant farmers apply?

Yes. You should ensure that your tenancy agreement will not be adversely affected, or that the tenancy does not contain any conditions which may affect your ability to comply with the Scheme regulations if your proposal is approved. For large building projects, the Department may require conditions to be placed on the property. Your landlord will need to accept these conditions. Tenants may not apply for grant on projects not funded by themselves.

Can I apply if I am a landlord?

Yes, as long as your tenant is an eligible agricultural business and you have been permanently resident in the Island for at least five years immediately prior to application. The Department may require you to accept conditions that should your tenant move on, the improvements remain for the benefit of agriculture as a whole. You may not apply for support for work undertaken by your tenant.

Is there any additional assistance for Young Farmers:

Yes. The Scheme provides for young farmers to claim an extra 10% above the standard agricultural business rate (e.g. Standard rate = 30%; Young Farmer rate = 40%). To be eligible the applicants must be less than 40 at the time of application. Individuals claiming the enhanced rate may only do so for 10 years after their initial claim and must have taken over or established the agricultural business not more than 10 years prior to the date of application.

After submitting my application can I start the work before I gain Department's approval for support?

Yes. (Excluding work requiring planning permission). Importantly, grant assistance cannot be considered for items of expenditure which have been purchased prior to submission of an application. An application is considered to have been submitted when it is completed to the satisfaction of the Department.

How is 900 hours of activity calculated?

Such calculations are made on the basis of standardised labour requirements as agreed between the UK Agriculture and Rural Affairs Departments. Please refer to Appendix IV of the Agricultural and Horticultural Production Businesses Guidelines for Applicants. The eligible business will demonstrate agricultural activity through the application form. Agricultural contractors will be required to demonstrate that they undertake 900 hours of work for eligible businesses.

What are Standard Costs and can I base my project costs on them?

Standard Costs are fixed unit costs **including** labour, plant and material to carry out work to a certain specification. Information on the range of works for which they are available, and the requirements which will have to be met in using them, are set out in Appendix II of the Agricultural and Horticultural Production Businesses Guidelines for Applicants.

What happens if Standard Costs change after I submit my application?

If your application is approved the costs for your project will be based on the Standard Cost rates in force at the date the Approval Document is issued.

Do I need to supply quotes?

Small value items, less than £2,000 in total cost, may be approved against a single quote. This acknowledges that there may not be standard costs for smaller items.

What happens if my project costs vary from the costs contained in my Approval Document?

Financial assistance will be based on eligible expenditure incurred if all work has been completed to an acceptable standard and provided this does not exceed the limits set when the works were approved. If the actual costs are lower than the approved costs, then the project will be paid on the lower of the two costs.

If I, or my labour force, do the work ourselves will this labour be eligible for grant assistance?

No, standard costs already include an element for labour.

What information do I need to supply in my application?

Additional information required with the completed Application Form includes:

- Applications for support toward total expenditure of over £2,000 must complete a partial budget appraisal for the investment (Section 6 of the application form).
- Investments of £15,000 or greater should include:
 - a business plan or similar evidence of improved viability or profitability
 - They should also include a health plan, energy audit or nutrient management plan as appropriate:
 - improve animal health or welfare should include a 'Health Plan' prepared by your vet or a proficient advisor. These can be existing plans if they include recommendations for the type of equipment you are applying for;
 - reduce energy usage should include an 'Energy Audit' providing evidence of current energy usage and supporting calculations showing energy saving achieved;
 - improve the management of manures or farm nutrients should include a 'Nutrient Management Plan' and associated saving.
 - Information can be found on our website using this link:
<https://www.gov.im/agandfishgrantscheme>

The Department takes no responsibility if your application is subsequently found to be incomplete.

What must be included in a Business Plan?

Applications for expenditure over £15,000 must include a business plan or similar evidence of improved viability or profitability. This is a key feature in the AFGS process for approving or declining an application of this size. You can find the AFGS Business Case template on our website here: <https://www.gov.im/agandfishgrantscheme>.

The Business Plan must examine the agricultural business and establish the future direction of the business. Proposed investments, whether or not eligible for assistance under AFGS, should be explored and justified to ensure optimum benefit is obtained. The following items should be included.

- Financial statement.
- Details of current enterprises.
- Description of land, labour and fixed equipment.
- Evaluation of current viability of business, especially identifying weaknesses in current situation.

- Assessment of alternative means of enhancing current viability.
- Detailed proposals, with justification, for enhancing current viability.

Planning Approval

The applicant must have received planning approval or other statutory consents prior to submitting an application for building works.

Is there a minimum application size?

No.

What is the Scheme Budget?

The AFGS is a cash-limited scheme. There is no guarantee that resources will be available to fund all applications; therefore it is possible that not all applications will receive an offer of funding.

What detail do the 'receipted' invoices have to show?

Invoices submitted in support of a claim must show proof of payment. The Department reserves the right to seek such additional information as it considers necessary, to substantiate a claim for payment. Your original invoices will be returned to you once your claim has been processed.

Do I have to wait until my project is completed before I submit a claim?

For example, two interim claims may be made for larger projects such as buildings. In such cases, claims will only be accepted for separately identifiable stages of a project, e.g. building structure complete, (wind and watertight) but yet to have internal fittings installed, provided you have paid for the work and submit correctly receipted invoices.

Are there any time limits for claiming?

Yes. A claim must be submitted, with all supporting documentation within 12 of the original approval date, to the Department at Thie Slieau Whallian, St John's.

Please note: If you wish to extend your approval, please contact us **BEFORE** the expiry date. No further reminder will be issued once the original approval is given.

Failure to claim for financial assistance within the approved time scale will result in your claim being rejected.

Will someone inspect the project?

Yes. The Department may inspect your project at any time either before, during or after completion. It is a condition of the Scheme that you allow any person, duly authorised, to have access to your land at any reasonable time to inspect it, or any premises, plant, equipment or goods in respect of which financial assistance has been approved, claimed or paid under the Scheme. Any duly authorised person is also entitled to examine any book, account or other record (including computer record) necessary to substantiate your entitlement to financial assistance.

If you obstruct any duly authorised person in the exercise of their duty, or fail to provide for inspection any book, account or other record properly requested, the approval for your project may be revoked and any financial assistance, which has been paid, may be recovered.

Can the Department withhold or recover grant funding?

Yes. The Department may reduce or withhold any grant payable under this Scheme in any case where –

- the work, facility or improvement has not been completed satisfactorily; or
- any condition subject to which the approval was given has not been complied with; or
- the carrying out or provision of the work, facility or improvement in respect of which such grant is claimed has frustrated the purposes of the Wildlife Act 1990.

If at any time after the Department has paid a grant under this Scheme, it appears -

- that any condition subject to which approval was given has not been complied with; or
- that any work, facility or improvement in respect of which approval was given has been badly executed or provided; or
- that the recipient of the grant has ceased to satisfy the criteria for eligibility; or
- that grant was paid on the basis of inaccurate or misleading information,

the Department may revoke an approval and recover on demand an amount equal to the payment which has been so made, or such part thereof.

When will I receive payment?

The Department will endeavour to process all claims within two months of receipt of all required information. Incomplete claims will be returned to you.