Rural Tourism Scheme

### Description of the Operation

The scheme has a maximum budget of £10M and is open to all local authorities for application under a competitive process. A typical project is an action implemented by one or more partners, allowing achievement of the goals of the scheme and will provide long term tourism impact for the community in the rural area. Projects should align with the aims and objectives of Tourism NI and should as a priority target out of state visitors. All projects must include an electronic means of monitoring the people using the facilities created by the project.

Projects will be typically:

* + - * Capital Infrastructure;
			* Provide increase in out of state visitors
			* Job creating ( during capital build and after completion )
			* Promote/encourage a Partnership approach with other statutory organisations sharing a common goal;
			* Flagship unique type/notable/high impact rural tourism-focussed actions.

The scheme will invest in natural and built heritage projects, that can act as a key driver for encouraging rural tourism and particularly out of state visitors, whilst preserving the built and natural assets of the rural community, support will include:-

* development of rural tourism infrastructure using cultural and natural heritage
* conservation of small scale rural built heritage for tourism use

### Amounts and support rates

Small scale infrastructure is defined as a project receiving a minimum grant of £250,000 and maximum grant up to £500,000 at 75% level of support. The remaining 25% match funding must be at least 5% cash from the applicant’s own resources and contribution in kind (not to include buildings and or land ) to a maximum of 20%. Evidence of match funding commitment must be in place at the time of application. All current match funding rules apply eg no other EU funding can be used as match. Phased payment will be available upon request.

Support will be provided through grant aid aimed at single capital type projects with some allowance for professional fees. No advance payments will be available.

The projects will be assessed by DARD senior staff and 1 Independent person through a competitive assessment process and successful projects will be offered funding at 75% grant rate up to a maximum of £500K grant.

**State Aid**

All aid under this Scheme will comply with EU rules on state aid.

State aid falling within the following aid categories will be paid in accordance with block exemption Regulation (EU) 651/2014 as follows:

* Aid for culture and heritage conservation with comply with Article 53.
* Aid for sport for multi-functional recreational infrastructure will comply with Article 55.
* Aid to local infrastructure will comply with Article 56.

Alternatively State aid will be paid in compliance with de minimis Regulation (EU) 1407/2013

### Eligible Costs

The following costs are eligible for support;

1. The construction, acquisition, including through leasing, or improvement of immovable property as part of a completed project;
2. The purchase of new equipment, up to the market value of the asset.
3. General costs linked to the expenditure such as architects, engineers and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, the acquisition of patent rights and licences, up to a maximum of 10% of the eligible project cost.
4. Intangible investments such as acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks.

**Ineligible costs**

The following costs are not eligible for support;

1. Costs connected with the leasing contract, such as lessor’s margin, interest refinancing costs, overheads and insurance charges.
2. Investments which are likely to have an unacceptable negative effect on the environment.
3. Replacement investments and maintenance.
4. Purchase and installation of renewable energy technologies.
5. Marketing.
6. Festivals and events.
7. Running costs and staff costs.
8. The lease purchase of machinery or equipment.

### Beneficiaries

The following beneficiaries are eligible for support:

* local authorities and
* local authorities in partnership with organisations operating within the Community & Voluntary / Third sector or Public sector

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### Eligibility conditions

Actions will be led by local authorities in partnership with organisations operating within the Community & Voluntary / Third sector or Public sector. Proposals must relate directly to local community plans and must fit within the block exemption under state aid rules.

### Principles with regards to the setting of selection criteria

The scoring criteria will provide a cumulative score for each project based on a pre defined mark taking into account many factors such as contribution to the rural economy, job creation affect on environment etc.

**Rural Tourism Scheme – Guidance / Criteria**

**1. Timeframe**

All projects **must** start within 3 months of the date of the letter of offer with all actions being completed and a final claim submitted to the department before the next call or within an agreed timescale. Failure to commence the project on time may lead to a termination of the letter of offer by the Department.

The Department will consider as eligible within the programme any expenditure on professional fees incurred by applicants on finalising concept design, statutory approvals etc up to a maximum of 10% of the eligible project costs which have not yet been incurred as part of putting together the full application ie before the signing of a Letter of Offer. The Department will only reimburse these costs at the intervention rate of 75% and only if they are deemed eligible by the Department. The reimbursement of these costs will form part of the overall grant awarded to the council. Where an application already has an Economic Appraisal completed on behalf of another government department or agency this can be accepted provided it has been signed-off as meeting Green Book standard by the relevant Department. The cost of any submitted Economic Appraisal must be borne by the applicant.

**2. Statutory Approvals**

If there are any outstanding planning or land acquisition issues or other requisite statutory procedures to be completed then the details should be provided to the Department at the time of application. Successful applicants must ensure all Statutory Approvals are in place prior to the issue of any LoO contract. Failure to provide necessary approvals within 2 months from the DARD decision will render the application ineligible.

**3. Expression of interest**

Before the call for applications DARD will have an Expressions Of Interest (EOI) call. The call will ask for details of each project that the council intends to submit to DARD. Only successful EOI applicants will be invited to submit a full application.

**4. Assessment**

Each application must be accompanied by an independent Economic Appraisal (EA) paid for by the applicant. The EA will be subject to an assessment process including a DARD economist view.. The assessment panel will consist of senior DARD staff and 1 independent member. Scoring preference will be given to those projects that have the potential to create and sustain new jobs, that can lever in additional funding to their area and that include a partnership approach with other statutory bodies with a common goal to promote rural tourism.

**5. Partnership Principle.**

Projects involving partnerships (not all projects will have partnerships) requires the partnership to follow a set of basic principles as follows :-

* Involve real commitment from each of the partners;
* involve the right partners so that can effectively implement the project;
* Operate under a legal and binding “Partnership Agreement” composed and agreed by all prior to submission of application and which sets out clear objectives, timeframes and responsibilities;
* Operate within the Partnership Agreement under a financial table which clearly sets out the budget responsibilities including the match funding for which each partner is responsible (if relevant);
* Set monitors and meet appropriate process and outcome targets.

A partnership agreement (see annex A for sample), signed by the authorised representatives of the participating council/organisations **must be in place** at time of application. The sample is for illustrative purposes only and each partnership project will have to have an individual one worked up for it.

6. State Aid

All applications must be assessed in accordance with DARD guidance on State aid and a State aid Checklist completed for each case. This should be retailed on file for monitoring purposes.

**Annex A**

DRAFT

**DEVELOPMENT AGREEMENT**

Dated this day of 2012

**THIS DEVELOPMENT AGREEMENT** is made between **xxxxxxxxxx Council** (“hereinafter referred to as the Council”) (1) and **xxxxxxxxxxxxxxxxxxx** (“hereinafter referred to as “xxxxxxxxxxxx”)(2)of ***address details***.

The Agreement relates to the Development (by way of an Northern Ireland Rural Development Programme Grant from the xxxxxxxxxxxxxxxxxxxx Local Action Group) to xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx and in particular:-

i) **Capital works to**....................................

**ii) Infrastructure** as follows ...........................................

**The Definitions of this Agreement:-**

In this Deed the following words and phrases shall have the following meanings save where the context otherwise requires:-

“**The Council**” will be xxxxxxxxxxxxxxxxxxxxxxxx.

“**The Northern Ireland Rural Development Programme**” means part of a strategic tourism bid provided to the Grantee.

**“The Grant”** means (suggest the grant(s) covered by the development agreement are covered)

“**The Grantee**” shall mean the xxxxxxxxxxxxxxxxxxxxxxxxxxxx.

“**The Plan**” means the Plan attached to the First Schedule.

“**The Grant Scheme**” means all those purposes for which the Grant has been applied as attached in the Third Schedule.

**Interpretation**

Unless the context otherwise requires the expressions “The Council” “xxxxxxxxxxxxxx the Grantee” shall include their respective successors and assigns whether immediate or derivative and where appropriate the survivors or survivor of the same.

**NOW THIS DEED WITNESSETH:-**

1. The “Council” has agreed to the Grant Scheme being carried out on xxxxxxxxxxxxxxxx for lands situated at xxxxxxxxxxxxxxxxxxxxxxxxxxxx
2. The “Council” has agreed and consented to an application being made by “xxxxxxxxxxxxxxxxxx” to the XXXXXXXXXXXXXXX Local Action Group, the Heritage Lottery Fund & Ulster Garden Villages.
3. The Council has agreed to enter into this Development Agreement in recognition of the Grant Scheme.
4. In consideration of the Grant being made to “XXXXXX the Grantee” XXXXXXXXXXX, the Land Owner hereby covenants with XXXX, the Grantee, in respect of the Grant Scheme, that the Council will for a period of XX months and after the completion date of the project for a period of a further ten years:-
	1. Continue and maintain rights of access for the public to the area concerned.
	2. Continue to have public liability cover for the area concerned.
	3. Manage and maintain the area which will be enhanced by the financial contribution to the project, at a similar standard to which it will be when the project is completed.
	4. Not to transfer the land ownership of the lands concerned (subject to the improvements referred to in this document) without committing any future owner of the lands to continue to abide by the terms of this development agreement.

If the “Council” shall fail to comply with the covenants and conditions contained in this Agreement it recognises that the “XXXXX the Grantee” shall be entitled to take legal action against the Council for a repayment of the proportion of the Grant which has or will be paid in accordance with this Agreement to enhance the lands in question.

The “Council” hereby confirms that it has the legal standing to execute the Development Agreement to execute and perform this Agreement and validated to commit to this Agreement which it recognises to be a legal and binding document.

Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (representing XXXXXXX Council)

Signed:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (representing XXXXXXX Partnership organisation)

Dated:

Witnessed: