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Call for Projects in Rural Northumberland

Growing the economy, enhancing the environment, and supporting communities in local rural areas.

The Northumberland Rural Asset Multiplier Pilot (RAMP) is funded by the North of Tyne Combined Authority Investment Fund and by the UK Government through the UK Shared Prosperity Fund and the Rural England Prosperity Fund, with the North of Tyne Combined Authority as the lead authority.

Specification and Guidance

Call Opens 6th November 2023

The first deadline for the submission of project applications is 5pm 4th December 2023

This call for projects will remain open until May 2024. However, we encourage applicants to submit bids by the 4th December 2023 deadline if at all possible, even if your project proposal is not fully worked up at this time.

As the funding available is limited, Northumberland County Council (NCC) wants to quickly get a full picture of the projects that are likely to seek funding from the Programme so it can gauge which projects it may be able to support within the available funds.

Therefore, it is important that applicants submit their project ideas to us as early as possible, even if they are not fully developed.

Where applicants may have limited capacity to prepare bids by the 4th December 2023 deadline, NCC can provide additional support and advice to help you meet the deadline. If you have any questions about this call, or would like to request support with your application, please contact:

ruralassetmultiplierpilotprogramme@northumberland.gov.uk



Northumberland
County Council

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1. About this Programme and funding opportunity

Northumberland County Council (NCC) intends to fund pilot projects in local rural areas focused on growing the economy, enhancing the environment, and supporting communities. The aim is to develop and test new, innovative, locally based approaches to tackling economic, environmental, and community challenges and opportunities in rural Northumberland.

The Programme, known as the Rural Asset Multiplier Pilot (RAMP), will invest in Northumberland's unique natural, economic, and cultural assets in a way that will simultaneously enhance our environment, grow our economy, and improve opportunity and prosperity in our local rural communities.

Examples of the types of projects we would like to fund are given below. This list is not exhaustive and full details of the types of projects we are seeking to fund are provided in Section 3 of this document.

- Investment in visitor attractions and cultural and heritage assets.
- Investment in green and active travel infrastructure.
- Solutions to reducing carbon emissions in rural areas.
- Scaling up wellbeing activities and increasing the take up of physical and social activities.
- Supporting local people to develop skills, progress into work, and access better quality jobs.
- Targeted support for businesses in key rural sectors.

Funding will be focused primarily on projects delivered within two pilot areas, which are the Northumberland Coast AONB area and Northumberland National Park area. Further details are provided in Appendix 1 of this document.

We will also consider funding a small number of projects that fall outside of these two primary target areas, but which are located in rural areas of Northumberland and meet the other eligibility criteria set out in Appendix 1 of this document.

Projects applying under this call must be able to start delivery as early as possible in 2024, project delivery and spend must be completed by 31st December 2024; and outputs and outcomes must be completed by 31st March 2025.

However, there is some flexibility for projects that are currently at an early concept stage only to be developed further during 2024 and funded in 2025/26.

Therefore, the Council would like to encourage all applicants with an eligible project, whether it is fully developed or at an early concept stage only, to submit their proposals now so we can get a full picture of all the projects that are likely to seek funding from the Programme.

The first deadline for the submission of project applications is 5pm 4th December 2023.

2. Programme background and strategic objectives

Rural Northumberland is home to some of the country's most distinctive and valuable natural and cultural assets, including our pristine coastline; one of the UK's largest farming sectors; our leading forestry industry; plentiful renewable energy resources and carbon capture capability; productive woodlands and waterways; precious nature habitats and biodiversity; and our unique Borderlands culture and heritage. These assets offer huge potential to enhance the environment in Northumberland and to contribute to climate change goals, at the same time as boosting growth and prosperity in the local economy and communities by capitalising on these natural assets.

However, in common with most rural areas there are well recognised challenges that are holding back growth, prosperity, and wellbeing in rural Northumberland. They include: a declining working age population; low skill, low wage economy; difficulties for employers in recruiting skilled workers; remote location of businesses and households and distance from markets, customers and services; poor transport and digital connectivity; high incidence of poor health; and poor infrastructure in rural towns and villages.

In 2022 the North of Tyne Combined Authority and Northumberland County Council (working with a range of rural stakeholders) developed a 'North of Tyne Stewardship and Rural Growth Investment Plan' which sets out a fresh, place-based approach to investing in the area's unique natural, economic, and cultural assets to enhance the environment, grow the economy, and improve opportunity and prosperity in rural communities. The Investment Plan provides the strategic context for a range of funding streams and for relevant programmes and projects such as the RAMP.

The **RAMP has four strategic objectives**, which reflect the key challenges and issues the Programme will address:

- **SO1: Levelling Up Prosperity and Opportunity** - To reduce the wealth and productivity gap between rural Northumberland and the national average by investing in business growth in key sectors, innovation, exporting and trade, skills, and digital technology, providing more high-quality, high-skilled, well-paid jobs, and better access to education and other opportunities for people from all backgrounds and communities.
- **SO2: Achieving Net Zero Carbon Growth** - To work towards net zero carbon growth in the North of Tyne rural economy, and contribute to the UK's carbon reduction goals, by investing in low carbon measures in the natural environment, businesses, homes, public buildings, and communities, and equipping people and businesses with the skills needed to deliver net zero growth.
- **SO3: Improving Management of Land and Natural Assets** - To enhance the management of land and natural assets, reducing net impacts on the natural environment and biodiversity locally, at the same time as delivering affordable sources of renewable energy generation and food supply, demonstrating how strong local supply chains can reduce reliance on insecure global energy and food sources.
- **SO4: Improving Wellbeing and Quality of Life** - To improve quality of life in rural communities, enabling people from all backgrounds and places to enjoy the health and wellbeing benefits of connecting with the natural environment and culture, working in rewarding, well-paid, skilled jobs, and being part of vibrant rural communities.

3. Eligible activities

This call is for community led projects that will pilot new, innovative, locally-based approaches to addressing economic, environmental, or community challenges and opportunities in rural Northumberland. Projects must demonstrate that they will make a clear and positive impact in their local area.

Projects applying for funding from this call must deliver at least one or a combination of the eligible activity types listed below:

- **Investment in infrastructure and facilities** in rural towns, villages and settlements; and in other places such as visitor attractions and infrastructure; cultural and heritage assets; community infrastructure; public realm; and skills facilities.
- **Investment in green and active travel infrastructure** for example improved pathways, cycle paths, electric vehicle infrastructure.
- **Investment in scaling-up wellbeing activities** in rural communities, such as volunteering; outdoor activities and exercise linked to nature, landscapes and coast; community social groups / social networks.
- **Work alongside local GP surgeries and social prescribers** to increase the take-up of physical and social activities in rural communities, for example walking and cycling.
- **Net zero visitor economy / carbon reduction demonstrators**, for example working with rural and coastal tourism businesses to adopt low carbon measures, carbon reduction and support biodiversity.
- **Local community renewable energy projects and district heat networks**, for example to support the reduction in energy usage and emissions in community buildings.
- **'Green skills' training programmes and facilities** to build and upskill the local workforce needed to deliver decarbonisation and land use change at scale (e.g. technicians to work on local renewable energy projects; installers to retrofit low carbon technologies in rural businesses and homes; ecologists to identify and develop carbon sinks).
- **Skills pathways from school to work**, to encourage and support more local people (including young people) to access jobs in key rural sectors, including agriculture, forestry, tourism, green / low carbon industries, digital tech, professional services, and healthcare.
- **Employability and in-work support reaching all rural communities**, supporting economically inactive people into work; upskilling people in low paid, low skilled jobs; and supporting underemployed people into better quality jobs.
- **Enhanced, targeted support for businesses in key rural sectors**, where it is clearly additional to existing business support.
- **Small-scale Innovation challenges to solve transport problems** facing specific rural places or testing the feasibility of adopting rural transport solutions that work in other areas (e.g. car share schemes; demand-led transport apps).
- **Feasibility studies** necessary to support the development and delivery of projects consistent with the interventions above.

The funding will not support:

- Investment in buildings or infrastructure for use by third party businesses.
- Primary agricultural production.
- Primary fishery production/activity.
- Tourism accommodation.
- Retail.
- Any activity where there is high risk of market displacement (i.e. the types of activities you are proposing to deliver through your project are already being provided in your target area and there is a risk that your project will take service users / customers away from these existing services).

Full details of the types of projects and organisations that are eligible for funding under this call are provided in Appendix 1 of this document.

Applications are invited from projects that can demonstrate clearly how they will deliver on the objectives, outputs and outcomes of Northumberland's Rural Asset Multiplier Pilot Programme (as described in this call document) and the aims of the North of Tyne Combined Authority UKSPF Investment Plan ([North of Tyne Combined Authority UKSPF Investment Plan](#)).

4. Call parameters

<p>Priority Project Types</p>	<p>Through this Project Call we are specifically seeking:</p> <ul style="list-style-type: none"> ▪ Capital projects capable of mobilising quickly and completing delivery by March 2025, which is the deadline for spending the £1.54m capital funding allocated to the North of Tyne area from the Rural England Prosperity Fund. ▪ Pilot projects testing new and innovation approaches to environmental stewardship and rural growth. These projects must be delivered by March 2025, although there may be potential to support some projects in 2025/26. ▪ Feasibility studies completed by March 2025 that are needed to support the initial development of capital and revenue projects that would be delivered from 2025/26 onwards.
<p>Dates & Deadlines</p>	<p>This call for projects opens in November 2023 and will remain open until May 2024.</p> <p><u>The first deadline for the submission of project applications is 5pm 4th December 2023.</u></p> <p>We encourage applicants to submit bids by the 4th December 2023 deadline if at all possible, even if your project proposal is not fully worked up at this time.</p> <p>As the funding available is limited, Northumberland County Council (NCC) wants to quickly get a full picture of the projects that are likely to seek funding from the Programme so it can gauge which projects it may be able to support within the available funds.</p> <p>Therefore, it important that applicants submit their project ideas to us as early as possible, even if they are not fully developed.</p> <p>Where applicants may have limited capacity to prepare bids by the 4th December 2023 deadline, NCC can provide additional support and advice to help you meet the deadline. If you need support with your application, please let us know as soon as possible by contacting ruralassetmultiplierpilotprogramme@northumberland.gov.uk</p> <p>For applicants that are unable to submit bids by the 4th December 2023 deadline, further bidding deadlines will be published by NCC before May 2024. The number and timing of any further bidding deadlines will be subject to the volume and quality of proposals received at the first deadline and the amount of funding remaining to support further projects.</p>
<p>Fund Allocation, Minimum Application Values and Project Durations</p>	<p>The indicative total programme funding available up to March 2025 is shown in the table below split by capital and revenue, and funding source, as well as the minimum and maximum grant values per project. Applications that fall above the maximum grant award threshold may be considered in exceptional circumstances, where there is a particularly strong proposal that will deliver a high volume of outputs and good value for money. If your proposed grant request exceeds the</p>

maximum grant award (see table below) please contact Northumberland County Council for guidance on whether your application is likely to be eligible.

ruralassetmultiplierpilotprogramme@northumberland.gov.uk

Applications for projects below £20,000 will not be accepted. However, there is an exception for feasibility studies only which may cost less than £20,000, for which applications will be accepted.

Intervention	Grant Funds available	Minimum Grant award	Maximum Grant award
Capital (to March 2025)	£1,543,546	£20,000	£500,000
Revenue (to March 2025)	£800,000	£20,000	£150,000
Revenue (April 25 to March 26)	£543,687	£20,000	£150,000

Further revenue funding will be available for the period April 2025 to March 2026, as indicated in the table above, although NCC is primarily seeking to fund projects up to March 2025 as part of this call.

However, the Council would like to encourage all applicants with an eligible project, whether it is fully developed or at an early concept stage only, to submit their proposals now. Projects currently at an early stage may be developed further during 2024 ready for delivery and funding in 2025/26.

Added Value	Applicants are expected to submit proposals which demonstrate impact and additionality. RAMP funding is not intended to replace existing funding or duplicate activity.
Geographical Scope	<p>Funding will be focused primarily on projects delivered within the following two target areas of Northumberland:</p> <p>Area A: Northumberland Coast AONB Area B: Northumberland National Park Area (Bridging the North to South Tyne River)</p> <p>NCC will also consider funding a small number of projects that fall outside of these two primary target areas, but which are located in rural areas of Northumberland and meet the other eligibility criteria set out in Appendix 1 of this document.</p>
Eligible match funding	NCC welcomes projects that bring match funding. However, there is no set level of match funding required and projects can request up to 100% funding from this Programme. Proposals which include match funding from other sources will be scored more favourably through the assessment process.

	NCC expects match funding must be auditable and relate to actual project expenditure.								
Procurement	<p>Successful applicants must follow the Public Procurement Principles when appointing contractors to undertake the work and provide evidence of the procurement process.</p> <table border="1"> <thead> <tr> <th>Value of contract</th> <th>Minimum procedure</th> </tr> </thead> <tbody> <tr> <td>£0 - £9,999</td> <td>Direct award</td> </tr> <tr> <td>£10,000 - £50,000</td> <td>3 written quotes or prices sought from relevant suppliers of goods, works and / or services</td> </tr> <tr> <td>Over £50,000</td> <td>Formal tender process</td> </tr> </tbody> </table>	Value of contract	Minimum procedure	£0 - £9,999	Direct award	£10,000 - £50,000	3 written quotes or prices sought from relevant suppliers of goods, works and / or services	Over £50,000	Formal tender process
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£10,000 - £50,000	3 written quotes or prices sought from relevant suppliers of goods, works and / or services								
Over £50,000	Formal tender process								
Eligible Applicants	<p>Applicants must be legally constituted at the point of signing a Funding Agreement and be able to enter into a legally binding Funding Agreement. The Applicant will be the organisation that, if the application is successful, enters into a contract with NCC and therefore carries the liability for ensuring that the terms of the Funding Agreement are met by them and to all delivery partners. Applications are encouraged from consortia or other similar types of partnership arrangements; however, a lead organisation must be selected to become the Applicant. It is this organisation that carries the responsibility and liability for carrying out a compliant project.</p> <p>Please see full eligibility information set out in Appendix 1</p>								
Subsidy Control	Grants to organisations are often considered to be a subsidy. Please read Appendix 3 for more information on subsidy control before completing the application form.								
Contact	<p>Please direct all enquires and email your completed signed application form to:</p> <p>ruralassetmultiplierpilotprogramme@northumberland.gov.uk</p>								
Outputs, Outcomes and Impacts	Projects must deliver outputs and outcomes as described in Appendix 2.								
Next Steps	NCC Officers will assess the RAMP grant applications. Grant Awards will be decided by the RAMP Grant Fund Investment Panel consisting of nominated Rural Stakeholders and Council representatives. If your application is approved, you will be asked to sign a grant agreement with Northumberland County Council.								
Monitoring Returns	<p>Claims will be paid quarterly in arrears when:</p> <ul style="list-style-type: none"> • A fully completed claim form has been approved by NCC together with supporting information (including a detailed transaction list from which information will be sampled and evidence of defrayment required). • Any project specific funding conditions have been complied with. • Financial, output, milestone, risk and progress information has been uploaded correctly onto the Hanlon System. 								

5. Application Assessment Criteria

When completing your Grant Application Form, please provide as much detail and supporting evidence as possible about your project to enable NCC to assess the strength and deliverability of your proposal.

NCC will assess and score each application on the extent to which it meets the following criteria. Only those projects scoring highly against all criteria will be considered for funding.

- Demonstrates good Local Strategic Fit with the objectives and priorities of the RAMP Programme, the North of Tyne Combined Authority UKSPF Investment Plan, and any other relevant local strategies.
- Meets all RAMP eligibility rules set out in Appendix 1 of this document, delivers on at least one of the RAMP strategic objectives, and delivers at least one of the eligible activities set out in Section 3.
- **Additionality:** Delivers outputs, outcomes and benefits that are additional i.e. would not happen in the absence of the project.
- **Deliverability:** Projects demonstrating that they can complete delivery by March 2025 will be prioritised. However, there is potential for projects that are currently at an early stage to be developed further during 2024 ready for delivery in 2025/26.
- Will achieve value for money on project costs in terms of the quantified outputs and benefits the project will deliver.
- Is able to evidence need and demand for the project.
- Demonstrates there is support for the project from local people, businesses, and communities.
- Ability to meet the requirements of the Public Sector Equality Duty.

Please note that following submission of your application form, NCC may ask you to provide further detailed information in support of your project.

Before completing the RAMP Grant Application Form, please read the following appendices for further important information:

Appendix 1: Eligibility Guidance

Appendix 2: Outputs and Outcomes

Appendix 3: Guidance on Subsidy Control

Appendix 1: Eligibility Guidance

This list is not exhaustive and is subject to change. Please contact the RAMP Programme Team for clarification if required.

Eligible Applicants

- Applicants must be a legally constituted body, and not an individual or sole trader.
- Applicants can be public, private, charitable, or community and voluntary sector organisations.
- Limited companies operating in rural areas are eligible to apply.

Eligible Expenditure

Capital and revenue projects are eligible for funding through this Programme. However, only eligible items of capital and revenue expenditure may be included in the project costs. An explanation of the eligible capital and revenue costs you may include in your application is provided below.

Please note, the acquisition of land, buildings and assets is an eligible cost, but any such acquisitions must be linked directly to the project activities and essential to deliver the project outputs and outcomes.

Capital Expenditure

- **Land Acquisition:** The cost of purchasing land which is not built upon.
- **Building Acquisition:** The cost of acquiring a building if there is a direct link between the purchase and the objectives of the project.
- **Site Investigation:** The cost of investigations and inspections of sites to collect information, and report potential hazards or risks of a site which are unknown.
- **Site Preparation:** The costs associated with demolition of existing buildings and structures, clearing of building sites, excavation, levelling, drainage, and other preparation prior to construction.
- **Building & Construction:** This should include external/ internal refurbishment and conversion of existing buildings, new build premises, provision of services, and landscaping.
- **Plant and Machinery:** This should include tangible fixed assets used for the purpose of providing a service for the project. It should also include equipment required for operational and research purposes where it is directly related to the project. The purchase costs of second-hand equipment are eligible provided they meet the needs of the projects and have not been purchased with the aid of national or community grants.
- **Fees:** This should include fees and salaries for design and supervision. Fees include legal consultancy fees, notarial fees, and the cost of technical and financial experts if they are directly linked to the project and are necessary for its preparation or implementation.
- **Other Capital:** Any eligible capital expenditure not covered by the categories above provided it can be clearly demonstrated that these are directly related to the delivery of the project.

Revenue Expenditure

- **Salaries:** See Appendix 4 (below).
- **Flat Rate Indirect Costs:** See Appendix 4 (below).
- **Travel & Expenses:** Costs for travel and expenses related to project staff and activity.

This can include mileage and public transport costs in line with the applicant's travel and subsistence policy.

- **Accommodation Costs:** Accommodation costs such as rent or rates that can be directly attributed to the project. For example, if building is used solely for the purposes of the project then the rent and rates for that building can be included in the project budget. **If costs need to be apportioned, then they should be covered by the flat rate indirect cost** (See Appendix 4 below).
- **Materials & Consumables:** Includes costs for specific materials, small equipment, and goods that need to be used and regularly replaced that are necessary for project delivery.
- **Training:** It is expected that staff members should have the skills and experience to deliver the project, however this budget line covers any necessary training for staff skills and development that are absolutely necessary to deliver the project. Inclusion of training budget will be challenged during project appraisal to ensure it is additional and proportionate.
- **Marketing & Promotion:** Includes marketing costs such as press releases, social media, events, and publicity materials to promote project activity.
- **Consultancy/ Legal Fees:** Procured consultancy support to deliver specific aspects of project activity that cannot be undertaken by project staff. This can include legal fees where applicable.
- **Evaluation:** Costs associated with evaluation of project activity.
- **Other Revenue:** Any other direct costs that do not clearly fit into the categories above. The business case or granular budget breakdown should provide details as what these costs include.

Ineligible Expenditure

- Retrospective expenditure or expenditure relating to pre-existing contracts which pre-date the UKSPF award date.
- Lost opportunity costs.
- Depreciation costs.
- Payments that support activity intended to influence or attempt to influence the UK Parliament, Government, political parties, or attempting to influence the awarding or renewal of contracts and grants or attempting to influence legislative or regulatory action in the United Kingdom.
- Costs incurred up to and including the full planning application.
- The call is specifically for organisations to deliver capital and revenue projects in Local Rural Communities that will add value to the local economy and their communities. It is not for activities that are for the exclusive benefit of the applicant organisation and best value must always be sought.
- Notional costs e.g. where an item usually retails at £x, but the applicant buys it cheaper but claims the difference between the price paid and £x.
- Payments for activity of a political nature.
- Provisions, e.g. money set aside to pay for future events e.g. sink funds
- Contingencies and contingent liabilities
- Dividends
- Interest or service charges arising on debt incurred including finance leases, hire purchase, and credit arrangements
- Costs resulting from the deferral of payments to creditors
- Costs involved in winding up of a company
- Payments for unfair dismissal
- Compensation for loss of office
- Payments for gifts and donations

- Entertainment apart from food and non-alcoholic drink provided for a meeting
- Statutory fines and penalties
- Criminal fines and damages
- Legal expenses in respect of litigation

Ineligible Activity / Sectors

- Investment in buildings or infrastructure for use by third party businesses.
- Primary agricultural production.
- Primary fishery production / activity.
- Tourism accommodation.
- Retail.
- Any activity where there is high risk of market displacement (i.e. the types of activities you are proposing to deliver through your project are already being provided in your target area and there is a risk that your project will take service users / customers away from these existing services).

Areas eligible for RAMP funding

There are two primary areas of rural Northumberland where RAMP funding is being targeted.

Area A: Northumberland Coast AONB

Area B: Northumberland National Park Area (Bridging the North to South Tyne River)

NCC will also consider funding a small number of projects that fall outside of these two primary areas, but which are located in rural areas of Northumberland and meet the other eligibility criteria set out in this document.

Area A: Northumberland Coast AONB

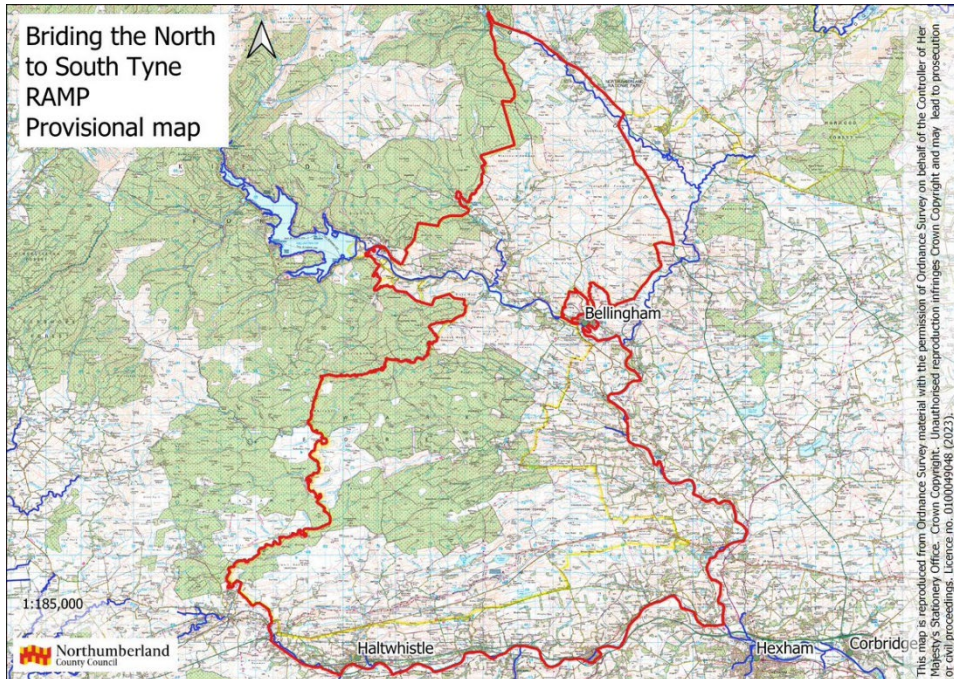
The Northumberland Coastal Area of Outstanding Natural Beauty (AONB) covers an area of more than 50 square miles stretching from Amble in the south to Berwick in the north, hugging the lauded Northumberland coastline and containing many features of natural, historical and cultural value. The AONB includes a variety of towns and villages including Amble, Alnmouth, Bamburgh, Beadnell, Seahouses, Craster and Warkworth, which are the main population, business, tourism, and service centres in the AONB.

The RAMP in this area will focus primarily on better managing the challenges and opportunities of the seasonal influx of visitors (for trips, holidays, and second home residences) to improve the sustainability of local communities, reduce the area's carbon footprint, and better protect the inherent value of the coastal landscapes, habitats, and species.



Area B: Northumberland National Park Area (Bridging the North to South Tyne River)

Northumberland National Park is the northernmost [national park](#) in [England](#). It covers an area of more than 410 square miles between the [Scottish](#) border in the north to just south of [Hadrian's Wall](#). It includes several distinct areas. In the north are the [Cheviot Hills](#) marking the border between England and Scotland. Further south, the hills give way to areas of rolling [moorland](#) and forested areas, including [Kielder Forest](#). The southernmost part of the park covers the dramatic central section of [Hadrian's Wall](#). The Park area includes numerous towns and villages, as well as many working farms and small businesses.



RAMP funding will focus on the south-western part of the National Park bounded by Bellingham and Haltwhistle, covering an area between the North and South of the River Tyne. It will focus on unlocking the natural capital potential of an extensive, unspoilt area of countryside whilst sensitively promoting access for educational, health and well-being purposes.

Appendix 2: Outputs and Outcomes

This programme is funded via a combination of UKSPF and NTCA Investment Fund. Therefore the overall programme needs to achieve a combination of UKSPF and IF outputs and outcomes. The specific output and outcome indicators are listed in the attached **ANNEX 1**.

Please complete ANNEX 1 to identify the specific output / outcome numbers your project will deliver. Select the output and outcome measures (from both the UKSPF and IF lists) that relate most closely to your project activities and objectives.

We do not expect individual projects to deliver against every output / outcome measure.

Please select only those that are directly relevant to your project.

More information and definitions can be found using the following links:

[NTCA Investment Fund Output Guidance](#)

[UKSPF Output guidance](#)

Appendix 3: Guidance on Subsidy Control (Formerly State Aid)

Under the Subsidy Control Act 2022, a “Subsidy” means any financial assistance given directly or indirectly through public resources by a public authority that confers a specific economic advantage on one or more enterprises, with respect to the production of goods or the provision of services, and which is capable of having, an effect on competition or investment within the United Kingdom or trade or investment between the United Kingdom and another country. **This includes grant funding, free training and workshops.**

Any financial assistance awarded through the RAMP will be checked by NCC for compliance with the Subsidy Control rules.

We anticipate that many of the RAMP grant applications will be considered to be a subsidy.

Definition of a Subsidy

- A “subsidy” means financial assistance which includes grants, loans at a preferential rate and goods and services at a reduced cost – such as free training or events or subsidized consultancy.
- It must be awarded from a public body such as Northumberland County Council
- It must be made to an enterprise. *An enterprise is any entity which provides goods or services on a given market, regardless of its legal status.* This includes charities, non-profit organisations, sole traders and cooperatives – a profit does not have to be made. It is irrelevant whether the organisation has charitable aims or if profits will be directed towards activities for the public good. Offering goods and services occurs when goods or services are made available to users, even if a fee is not actually charged. A market exists when there is competition with at least one other organisation to provide goods or services to customers. **So financial assistance to a recipient that does not provide goods or services on the market is not a subsidy** (for example, a grant to NHS providers of health services is not a subsidy. Also support for an organisation that carries out non-economic activities with some ancillary economic activities is not a subsidy).
- It must confer an economic advantage for an enterprise. An advantage means a benefit not obtained under normal market conditions. **Purchasing goods and services following appropriate public procurement processes at market rate is not an economic advantage**
- It must be specific and not available to all so that it benefits one or more enterprises over others. **Measures which treat equally all enterprises in the area for which the authority exercises its responsibilities would not be a subsidy.**
- It has, or is capable of having, an effect on competition or investment within the United Kingdom or trade or investment between the United Kingdom and another country. Financial support. **Where the enterprise is operating in a market inherently without competition and there is no evidence of any potential market entry (e.g., support for a hairdresser in a remote village)**

If all these criteria are not fulfilled, then the assistance is not a Subsidy.

If you consider that a RAMP grant is not a subsidy, please add in the commentary within the RAMP Application form.

If the Grant is a Subsidy

If the grant is a subsidy, then it can still be awarded but some additional paperwork will be required. There are two exemptions where organisations must declare previous financial assistance. **The RAMP Application form will ask for a list of previous grants and assistance to help us assess how we can compliantly award grants. Please can you complete this section as fully as possible.**

Please note that the following are not required to be included within this table: Basic Payment, Countryside Stewardship, grants awarded under GBER (General Block Exemption Regulation) Commission Regulation (EU) No 651/2014 of 17 June 2014.

- **Minimal Financial Assistance (MFA)**

Organisations (and any linked organisations) are allowed up to £315,000 in the current (from 1 April 2023) and previous two financial years. This allowance is cumulative and includes any subsidy previously received as 'de minimis' aid awarded under former EU State aid Rules (Commission Regulation (EU) No. 1407/2013) or as Minimal or Small Amounts of Financial Assistance under Article 364(4) of the Trade and Co-operation Agreement from any subsidy awarding body.

- **Services of Public Economic Interest (SPEI) Assistance**

A similar allowance for SPEI Assistance given to an organisation if the total amount of MFA or SPEI Assistance given to the enterprise within the applicable period of three fiscal years does not exceed £725,000. SPEI can include social housing and rural bus services.

If these exemptions do not apply, then a subsidy will need to be assessed for compliance with the subsidy control principals. The RAMP Officers will be able to support with this. Please contact us for further information.

Principle A: Subsidies should pursue a specific policy objective in order to remedy an identified market failure or address an equity rationale (such as local or regional disadvantage, social difficulties or distributional concerns).

Principle B: Subsidies should be proportionate to their specific policy objective and limited to what is necessary to achieve it.

Principle C: Subsidies should be designed to bring about a change of economic behaviour of the beneficiary. That change, in relation to a subsidy, should be conducive to achieving its specific policy objective, and something that would not happen without the subsidy.

Principle D: Subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy.

Principle E: Subsidies should be an appropriate policy instrument for achieving their specific policy objective and that objective cannot be achieved through other, less distortive, means.

Principle F: Subsidies should be designed to achieve their specific policy objective while minimising any negative effects on competition and investment within the United Kingdom.

Principle G: Subsidies' beneficial effects (in terms of achieving their specific policy objective) should outweigh any negative effects, including in particular negative effects on competition and investment within the United Kingdom, and international trade and investment.

[More guidance can be found here.](#)

Appendix 4: Project Costs (salaries and flat rate indirect costs)

(NB: This is an extract from NTCA Funding Guidance to Applicants V2 (August 2023).

Salaries

Costs associated with staff members employed to deliver project activity. Salaries included as project expenditure must be actual costs and cannot include day rates. NTCA request that applicants use a simplified cost methodology to calculate salaries in order to standardise processes and reduce administrative burden on all sides.

The simplified cost methodology falls into three categories:

- Staff working 100% of their time on the project
- Staff working a fixed proportion of their time on the project (Fixed Hours)
- Staff working intermittently on the project (Hourly Rate)

Staff working 100% of their time on the proposed project can include their full gross salary within project claims. This will include gross salary (before deductions) plus on costs such as employer's national insurance contributions, employer's pension contributions, and any extra costs included within the employees' contract.

Staff costs related to individuals who work part of their time on a project may be calculated as a fixed percentage of the gross employment costs, in line with a fixed percentage of time working on the project per month, with no requirement to complete time sheets.

The employer **must** issue a document for employees setting out the fixed percentage of time for working on the project. This could be, for example, in the form of a job description or a letter from HR detailing the new contractual hours of work. The key requirement is that it must be formally documented. Personnel working flexibly across a number of projects where hours fluctuate would not be able to use this methodology. They would need to keep time sheets and use the 1720 hours calculation (see below).

The hourly rate is the cost per hour of a project staff member whose time needs to be recorded on time sheets, because they either:

- Do not spend 100% of their time working on the approved project (e.g. the activity covered by the relevant Funding Agreement) and do not work a fixed percentage of their time on the project
- Work flexibly on more than one NTCA funded project

The underlying principle is that the project pays for the hours of work it receives. It allows an organisation to make use of existing staff as well as newly appointed staff on a temporary or ad hoc basis whilst being appropriately compensated. If a member of staff is absent from work for whatever reason (including sick leave, maternity/paternity leave) the assumption is that hours of work required by the project would be covered by an alternative member of staff and thus paid at an agreed rate. Projects cannot claim for notional hours that might have been worked should an individual be absent from work.

The hourly rate is calculated by dividing the **Latest Gross Annual Employment Costs** by 1720. In the calculation, the '**Latest Gross Annual Employment Costs**' refer to the individual's gross salary + Employer's National Insurance Contributions + Employer's Pension Contribution + any other contractual costs to the organisation relating to the post. 1720 hours assumes a working week of 33 hours – it therefore overcompensates by between 4 and 9 hours depending on an organisations standard working week to take account of annual leave costs.

If individuals work part time, their hourly rate must be calculated by using a corresponding pro-rata of 1720 hours. This means that if an individual's working pattern is 0.5 FTE the gross employment costs would be calculated as follows: $1720 \times 0.5 = 860$.

Flat rate indirect costs

This refers to shared costs or overheads. These are genuine costs to the project but cannot be directly attributed or audited. Many organisations have complex methodologies for calculating and apportioning indirect costs, and these can be administratively burdensome to evidence and audit. **Where applicants seek to utilise a flat rate to calculate indirect costs this should be calculated against direct staff costs only and not other direct project costs.** The tracing/auditing of all costs to individual supporting documents is not required - this is the key point of simplified costs as it significantly alleviates the administrative burden.

Simplified costs: 15% Flat Rate (calculated as 15% of direct staff costs). A 15% flat rate enables the calculation of **all indirect costs** attributable to a project without the need for complex apportionment or overhead methodologies or checking of evidence/audit trail associated with indirect costs.

Use of the 15% Flat Rate permits other Direct Costs (Travel & Expenses, Accommodation Costs, Materials & Consumables, Training, Marketing & Promotion, Consultancy/ Legal Fees, Evaluation, Other Revenue) to be claimed.

Indirect Costs: Any costs which do not fall within the direct staff costs category, or other direct costs categories, are indirect costs and will be claimed using a flat rate. Such costs do not have to be individually identified or listed within an application. Indirect costs, often referred to as 'overheads' are those costs which are linked to activity that supports the delivery of a project but cannot be easily attributed to the project in terms of the actual specific cost and cannot be evidenced by invoices or other transactions.

Such costs include:

- Support from non-public facing staff, not engaged in activity directly related to the implementation and management of the project (i.e. HR, payroll support).
- Other costs which are not solely associated with the delivery of the project, such as the shared premises costs including rent, utilities, cleaning, IT maintenance or insurance. This means that unless a premise is used for only the project outlined in the business case then the costs would be derived from the 15% flat rate. There is no apportionment methodology to share the cost of premises and running costs amongst projects as a direct cost.
- Costs of services, equipment or assets not exclusively used by the project where an actual specific cost cannot be identified.

Calculating Indirect Costs: A project will essentially contain up to three types of costs:

- **Direct Costs:** costs which are directly related to the delivery of the project activity. These costs are not calculated with the flat rate and the rate is not applied to them. They will be subject to audit and must be capable of being traced back to original actual cost-based transaction.
- **Direct Staff Costs:** the salaries and on costs for those staff engaged in activity directly related to the implementation and management of the project. This is the cost driver for the flat rate, e.g., the set indirect rate % is applied to these costs to calculate the eligible indirect costs.
- **Indirect Costs:** a figure arrived at by applying the set flat rate (15%) to the direct staff costs, this figure will then be used to cover those costs which are not or cannot be connected directly to the project activity and an exact actual cost cannot be attributed to the project.

Indirect costs are calculated by applying the set flat rate (15%) to direct eligible staff costs. Using the flat rate applicants *only* need list direct staff costs and other direct costs. *There would be no need to identify, cost out or list indirect costs.* They would be included in a cost schedule as:

Indirect costs (£) = Direct Staff Costs x set indirect rate%

In such cases the actual indirect costs are not auditable at all – only the direct staff costs (used to calculate the indirect costs) and the other direct costs would be checked and verified.