



**Project reference number:** WM-VMW-1234

**Project Name:** Browns Hill Farm reservoir

**Business name:** Imaginary Farms Ltd

**SBI:** 987654321

Dear John Smith

## **Farming Transformation Fund (FTF) – Water Management Grant: your Grant Funding Agreement**

I am writing on behalf of the Secretary of State for the Department for Environment, Food and Rural Affairs (“the Secretary of State”) about your FTF application to support a project to build two adjacent reservoirs with capacity of 60,000 cubic metres at **xxxxxx**

We’ve approved your application and award you a grant of £72,746.26. This is 40% of the eligible expenditure, up to the maximum sum of £181,865.66. The grant is awarded on the terms set out in your grant funding agreement (GFA).

Your grant funding agreement (‘the Agreement’) is made up of:

Part 1: this letter and its annexes A to C

Part 2: the Terms and Conditions

You can find full details of the grant amount in Annex A. The grant is issued by the Rural Payments Agency (RPA), using funds provided by the Department for Environment, Food and Rural Affairs (Defra). We will pay funds in accordance with the requirements set out in the Agreement.

### **Key dates**

Start Date	<b>12/05/2023</b>	Date your Agreement starts and the earliest date that any expenditure you incur (costs) in relation to the project can be eligible.
Completion Date	<b>10/04/2024</b>	Date your Project will be complete and you’ll submit your final claim by.
End Date	<b>10/04/2029</b>	Date your Agreement ends (5 years after the date of the final payment).

In your application you declared that your business is VAT registered, so you will not be including VAT in your grant claims.

Payments under the Farming Investment Fund may be subject to subsidy control or equivalent rules. The Grant has been notified as domestic support under Annex 2 of the WTO Agreement on Agriculture and is awarded on the basis it is outside the scope of the Trade and Cooperation Agreement by virtue of Article 364 of that Agreement.

Grant payments under the Farming Investment Fund are subject to normal UK tax rules, so you may need to tell HMRC about this grant. For more information, speak with your accountant or go to [www.gov.uk](http://www.gov.uk) and search for 'BIM40451'.

### **What you need to do**

Make sure you read the following documents that make up the Agreement:

- Annex A – Eligible Expenditure and claim submission
- Annex B – Outputs
- Annex C – Project specific conditions
- Terms and Conditions

A link can be found below for the:

- [Managing a successful Farming Transformation Fund project](#)

If you want to continue with your application to receive funding and can comply with the Agreement, print off the GFA in full, sign the 'Acknowledgement of grant funding agreement' and return all pages of the GFA to the FTF Team, Grants Service, Sterling House, Dix's Field, Exeter EX1 1QA.

By signing and returning the 'Acknowledgement of grant funding agreement' you declare that you understand and will be bound by the agreement.

If we do not receive your 'Acknowledgement of grant funding agreement' within 30 working days of the date of this email, the Agreement offer will expire and we will not be able to award you a grant.

### **If you have any questions about this email**

You can email us at [GSClaimQueries@rpa.gov.uk](mailto:GSClaimQueries@rpa.gov.uk) giving your project reference number (as above) or call us on 0300 0200 301 (Monday to Friday, 8.30am to 5pm) and follow the options for the Farming Transformation Fund scheme.

Yours sincerely

**Pauline Richmond**  
**Grants Service Manager**

On behalf of the Secretary of State for the Department for Environment, Food and Rural Affairs

## Acknowledgment of grant funding agreement

- 1 I/we acknowledge receipt of the Agreement and confirm that I/we wish to receive funding in support of the delivery of the Project, which is conditional on the terms as received.
- 2 I/we have signed this acknowledgment in confirmation that I/we have read and understood the Agreement.
- 3 I/we have signed this acknowledgment of the Agreement below and are returning one copy to the RPA.

**This acknowledgement must be signed by someone with permission to ‘Make legal changes’ or ‘Full permissions’ for the business as detailed on the Rural Payments service**

The signature will be kept on file and checked against each claim for reimbursement of eligible project costs you submit.

Signed by, or for and on behalf of, xxxxxxx

Name:

---

Signature:

---

Date:

---

Name:

---

Signature:

---

Date:

---

## **Annex A      Eligible Expenditure and claim submission**

A grant of £72,746.26, which is 40% of the eligible expenditure up to the maximum sum of £181,865.66, is awarded for this project on the terms set out in this Agreement.

### **Eligible items**

The item(s) in the table below are classed as eligible expenditure. These item(s) cannot be added to, reduced, or the specification altered without the prior written approval of RPA.

<b>Eligible Expenditure</b>			
<b>Description of item</b>	<b>Eligible Expenditure £ (excl VAT)</b>	<b>Grant Rate %</b>	<b>Grant £</b>
Construction of reservoirs	169,695.66	40	67,878.26
Side Weir Construction and pumps etc	12,170.00	40	4,868.00
	<b>181,865.66</b>	<b>40.00%</b>	<b>72,746.26</b>

### **Ineligible items**

The following item in your application are not eligible expenditure:

<b>Ineligible Expenditure</b>	
<b>Description of item</b>	<b>Cost</b>
Reduction from preferred supplier to match the cheapest quote	2,852.07
	<b>2,852.07</b>

## Claim submission

Submit your claim(s) for payment to RPA electronically following the instructions on the claim form, including any supporting information. Please send this information to the email address given on your claim form.

Make sure you do not include any ineligible items in your claim. We will remove any items which are not eligible.

Your claim schedule is detailed below. This shows the dates we expect you to have submitted your claims by. You can submit them before this date, as long as you have completed and paid for the work.

Claim Submission			
Claim to be submitted by	Eligible Expenditure £ (excl VAT)	Grant rate %	Grant £
10 October 2023	66,832.93	40.00%	26,733.17
10 January 2024	57,515.00	40.00%	23,006.00
10 April 2024	57,517.73	40.00%	23,007.09
<b>TOTAL</b>	<b>181,865.66</b>		<b>72,746.26</b>

We pay grant funding directly into the bank account attached to the business's SBI number.

It's the responsibility of the Agreement Holder to make sure a valid and active bank account for the business has been added to the SBI before you submit a claim. If no valid bank account is added, your claim payment will be delayed.

To add your bank account details, contact the RPA helpline on 03000 200 301.

## Annex B Outputs

### FTF Outputs

Outputs			
Project Outputs	Current/ Baseline	Expected Project Outputs	Year Achieved
Increase in land area irrigated (ha)	0	78	Year 1
Increase in reservoir storage capacity (m3)	0	60,000	Year 1
Number of businesses benefiting	0	1	Year 1
Number of new techniques*	0	3	Year 1
Number of new products*	0	2	Year 1
Reduction in annual summer surface water abstraction licenced volume (m3)	0	0	
Reduction in borehole abstraction volume (m3)	0	0	
Reduction in mains water use volume (m3)	0	0	
Number of FTE Jobs Created	0.25	0	Year 1

*\*New products and techniques as listed in the tables below*

#### New Products (Crops Introduced)

Field Scale Vegetables – Cougettes  
Fieldscale vegetables – Tender stem Broccoli

#### New Techniques

Trickle  
Boom  
Water Storing (Reservoir)

## **Annex C      Project specific conditions**

There are no project specific conditions.