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## News Release

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### **BENN TARGETS BIGGER GRANTS FOR RURAL BUSINESSES**

Environment Secretary Hilary Benn has announced measures to increase financial aid for rural businesses to help them through the economic downturn.

Regional Development Agencies will be allowed to raise the funding limit on a range of grants from 50 per cent to 100 per cent funding for projects under the government's £3.9billion Rural Development Programme for England.

The changes will benefit farmers who want to diversify into non-agricultural businesses and small rural enterprises which want to start up or expand.

Hilary Benn said:

"I want to make it easier for rural businesses to benefit from rural development funding in this economic downturn.

"Many businesses are finding it hard to get credit or finance from the private sector in the current climate, so they need to be able to benefit fully from help that is available from the government."

Defra will now seek approval of the proposed changes from the European Commission so they can be implemented as soon as possible.

Mr Benn has asked the Commission for Rural Communities and Regional Development Agencies to look at how the recession is affecting rural areas and whether additional help might be needed.

## **Notes to Editors**

1. The proposed changes do not mean that all projects falling into the relevant categories will be 100 per cent publicly funded.
2. Regional Development Agencies use an appraisal process designed to ensure that the business is viable and the project will offer value for money. Grants are awarded at the rate necessary to ensure that projects being supported can be successful and provide value for money.
3. Rural Development Programme for England Business Support is part of Solutions for Business, the government's portfolio of publicly funded business support to help companies start and grow.
4. The Rural Development Programme for England makes available a number of funding streams to rural businesses. Not all of them will benefit from the proposed changes.

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