**SME BUSINESS GRANT SCHEME**

##### **Grant Application Guidance Notes**

These guidelines are to assist you in completing the application form for the SME Business Grant Scheme available through the Folkestone Community Works Programme.

 Please read these guidelines carefully as the application requires you to supply supporting information along with the completed form.

For further information please contact the Programme Management Team at folkestonecommunityworks@shepway.gov.uk or by telephone at 01303 853287

**1. What is the SME Business Grant Scheme?**

A primary objective of the scheme is to support businesses to grow that are located in the area of Folkestone that includes part or all of the East, Harbour and Central Folkestone wards. This area is known as the Folkestone Community Works programme area and is shown on the map below.

**Folkestone Community Works Programme Area**



The scheme’s focus is on Small and Medium Sized Enterprises (SME’s) and small start-up companies. The objective is to boost companies and increase employment through support, guidance and business grants. This guide focuses on the business grants process.

The scheme has been designed to tackle the major barriers that many small companies face in accessing finance for growth. The business grant programme will primarily focus on relatively low value interventions that tackle a specific barrier to growth, such as to enable an SME to access a new market or facilitate innovation in products or processes.

**2. The Type of Funding That is Available**

The programme can fund up to 50% of the total cost of qualifying projects, with the remaining 50% being met by the business. There is no minimum or maximum grant that can be awarded. The total ERDF funds available for the SME Business Grant Scheme within the programme are £175,000 for small capital grants and £50,000 for revenue.

To qualify for a business grant, projects must demonstrably lead to business growth, including job creation.

The types of expenditure that grant funding may be used for includes:

Building Refurbishment: including external/internal refurbishment and conversion of buildings, provision of services and landscaping

Business Development: funding required enabling expansion of the business (for example, marketing/research costs)

Plant and Machinery: costs of re-tooling and installation of machinery and hardware and training required to operate it.

Intangible Assets: including costs of purchasing patents, IT, software and licenses

 Consultancy Costs: including marketing, business planning and sector specialists

**3. Who Can Apply?**

To be eligible for a grant, businesses must:

* Be considered small or medium enterprises (i.e. employ fewer than 250 people and have an annual turnover not exceeding €50 million or a balance sheet not exceeding €43 million);
* Secure 50% of the project costs in cash from private sector sources before the SME Business Grant funding agreement is concluded;
* Not be engaged in a restricted sector according to the state aid regulations and ERDF requirements. Sectors that are not eligible are:
* Fishery and Aquaculture
* Agriculture
* Coal, Steel and Shipbuilding
* Synthetic Fibres
* Retail
* Education
* Banking and Insurance
* Not have either (a) have already exceeded the *de Minimis* state aid limit (€200,000 over three years) *or* be in a position where the *de Minimis* state aid limit will be exceeded were the application to be approved (State aid is any financial or other advantage provided by a public body; or (b) qualify under the GEBR state aid exemption rules.
* Spend the full value of the SME Business Grant on a project taking place within the area within the red line boundary of the Folkestone Community Works programme area shown above.

**4. Private Sector Match Funding Requirements**

Applications must demonstrate a requirement for SME Business Grant funding. A significant percentage of the costs are required to be funded from private sector sources, such as the applicants own resources or commercial lenders. The minimum level of private sector match funding required is 50% of total eligible project costs.

Eligible private sector match funding includes:

* Bank loan or overdraft facility
* Company own funds (including Owners/Partners/Directors/Members’ loan)
* Private investor/New Share capital/New equity investors

Sources regarded as ineligible match funding include:

* Costs already incurred
* Purchases made with cash
* Loans or overdraft facilities which have been committed to cover previous expenditure and potential future profits
* Purchases made with credit card.
* Lease/HP Agreements

Applicants should aim to have secured match funding by the time that they submit their application. Match funding will be required to be secured prior to signing of the Grant Funding Agreement by the accountable body.

**5. Application Process**

The SME Business Grants scheme will follow a simple process as detailed below:

**Stage One**

**The business will complete the Eligibility Questionnaire and submit by 2nd March 2018. If the Programme Management Team requires any further information they may ask you to complete the Supplementary Eligibility Questionnaire**

**Stage Two**

**Once the eligibility of your business has been checked and approved, you will be issued with a Grant Application Form which will need to be completed and submitted, along with any other required documentation by 20th April 2018.**



**Stage Three**

**Once checked, the Grant Application Form will be appraised by the Programme Management Team and considered by the Local Action Group.**



**Stage Four**

**Once approved the Grant Funding Agreement will be issued for signature and returned to the Programme Management Team.**



**Stage Five**

**The business submits evidence of project implementation and expenditure and payment of the grant will be made in accordance with the Grant Funding Agreement and the project will be monitored according to the agreed timescales by the Programme Management Team**

The Programme Management Team will be in regular contact throughout the application process. Please inform us if you have any project delays. Your grant offer is valid for 6 months following the date on the Funding Agreement. ***This means that the project must be completed and the grant claimed within this time period. If you require an extension we can discuss the options available to you***.

**6. Assessment Criteria**

All applications for funding will be appraised before they are considered by the Local Action Group. Appraisal will be undertaken by the grants assessor within the Programme Management Team, although independent advice may be taken in the event that applications are considered innovative or contentious.

Criteria for appraisal of applications will include:

* The number of jobs created as a result of the project
* The contribution of the project to wider economic growth (through for example the development of a new product or process that will lead to supply chain impacts or wider productivity gains)
* Private sector leverage

Final decisions on awarding investment will be at the discretion of the Local Action Group.

If your application is successful you will be sent an Offer Letter detailing the level of funding and the conditions associated with the funding. This will constitute part of the contract with Shepway District Council as the Accountable Body for the Folkestone Community Works Programme.

If your application is unsuccessful then your letter will provide information on the reasons for this decision.

Please be aware that the Local Action Group will only consider an Application from the same SME twice. If unsuccessful on both occasions there is no recourse for another submission.

The Programme Management Team will also have the authority to stop payments or claw funds back in the event of a failure of a project to deliver, or in the event of irregularities in the original application. However, the Programme Management Team will work to ensure that any performance issues are resolved in good time.

**7. Full Application Form Guidance**

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| **1** |  | **GENERAL INFORMATION** |
| **Organisation Name** | *Please indicate the name of the organisation that will be applying for funds. It is this organisation’s responsibility to complete, sign and submit the project application form.* |
| **Organisation Address** | *Please provide full postal address of the applicant, including full postcode* |
| **What is the Organisation’s Legal Status?** | *It is essential that you specify the legal status of your organisation to enable to efficient processing of your application, and to assess such issues as state aid. If your organisation has more than one of these operating entities you should select the type of organisation that is applying for this particular project* |
| **Please Provide the Following Where Applicable** | **Charity Reference Number****VAT Registration Number****Registered Company Number** | *Please provide these where possible, if relevant* |
| **Are Any Members of Your Organisation’s Personnel Either Previous Employees of the Programme and its Partners or Directly Related to an employee of the programme?** | *Please advise us of any links to partners such as previous employees or members of staff directly related to employees or members. This will allow us to ensure no conflict of interest takes place during the project application and management process.* |
| **Lead Contact Name** | *The person nominated by the applicant as the primary contact* |
| **Position Within Organisation** | *The job title of the primary contact.* |
| **Contact Address (if different)** | *If different from the Organisation Address, please provide full postal address of the Lead Contact, including full postcode.* |
| **Contact Telephone Number** | *The telephone number of the primary contact* |
| **Contact E-mail** | *The e-mail address of the primary contact* |
| **Project Title** | *The name used to describe the project. It is helpful to avoid long and over complicated names. This should be the same name used inprevious correspondence.* |
| **Total Estimated Cost (£)** | *Detail the total estimated project costs* |

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| **2** |  | **PROJECT METHODOLOGY & MANAGEMENT** |

**2.1 Project Overview**

Please provide a brief description of the project in the space below, including the main aims and objectives, and equipment for capital projects. Please ensure that these are SMART (Specific, Measurable, Achievable, Realistic and Time bound).

*Note: This description may be used in the project funding agreement and could also be placed on the Folkestone Community Works website for publicity purposes.*

*Please use plain English when completing this section of the form. Keep it short and to the point, explaining who will be doing what, where and for how long etc. Please note that the project description will be used as a basis for the drafting of any resulting Funding Agreement and could be placed on the FCW website for publicity purposes.*

*Provide a concise description of the project including what will be delivered and the outputs/results and impact on the busieness*

**2.2 Project Plan**

Please attach with this application a detailed Project Plan. The plan should be no more than 3 pages long and explain the items, where they apply, as listed in the Guidance Notes. (Please refer to your Business Navigator for assistance in completing this part of the application). It would also be useful to know about why the project was selected, expected start date and duration, what will be involved and the anticipated outcomes.

*Please attach a Project Plan with this application. The plan should be no more than 500 words long and explain all the key elements/aspects of the project such as*

* *When it will be delivered*
* *How the project will increase growth in the business*
* *How the project has been developed*
* *What are your objectives and how will grant funding help you to achieve them?*
* *What does it allow you to do: Access new markets: Innovate?*
* *What do you want to spend the money on?*
* *What benefits will be achieved, including the impact of growth on the wider economy?*
* *What will you do re the project if you are not successful in the bid?*

Please provide details of the key economic targets associated with the project:

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| --- | --- |
| **New Jobs to be Created** | *Please provide details of the key economic targets associated with the project. Note the Programme Management Team should be able to assist with completion of this section.* |
| **New products to be developed** |
| **New processes to be introduced or further developed** |

**2.3 Project Costs**

**Please provide a breakdown of ALL costs for the project.** You can add additional lines to provide further detail under each cost heading. All costs should be inclusive of VAT (if applicable).

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| --- | --- |
| **Costs** | **Cost (inclusive of VAT – if applicable)** |
| **Equipment** | *Please provide details of the project funding spend in these categories or provide more information where the Other category is applicable* |
| **Research & Development** |
| **Marketing & Web development** |
| **Business development** (such as staff costs, consultancy support, etc) |
| **Other** *– please specify below* |

**2.4 Project Quotes**

**Please provide a minimum of two (2) like-for-like quotes for each specific expense, where provided by an external supplier:** Ensure these quotes are also included in your Grant Application when ready for sending.

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| --- | --- | --- |
| **Item** | **Supplier** | **Cost (inclusive of VAT – if applicable)** |
| *To allow us to undertake a full technical appraisal, you should include a full breakdown of the project costs, and where costs have been estimated, an explanation as to the source of this estimate must be provided. In order to demonstrate value for money we will require at least 2 comparable quotes covering all project costs.* |

**2.5 Company Finances**

Please enclose with this application the last set of company audited accounts (e.g. 1 March 2016 to 30 April 2017). *If these are not available, please indicate the reason, below*

Have you enclosed your last set of company audited accounts Tax?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Yes |  |  |  | No |  |  |

If ‘No’ please explain why below:

*If it is not possible to provide the latest set of company audited accounts, please explain why not.*

Please complete the following table for your company.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2015** | **2016** | **2017** |
| 1. Commercial revenues
 | *Please summarise this data for your company from your accounts for the last three years, where possible, and state any source of grants received* |
| 2. Grants or similar |
| *Please indicate the source of grants* |
| 3. Total turnover (1+2) |
| Gross profit |
| Operating profit **before** Directors remuneration, interest and tax \*\* |
| Operating profit **after** Directors remuneration and dividends to Directors |
| Shareholder’s funds at year end |

**2.6 Company Status**

Is your company registered or about to be registered for the purposes of Value Added Tax?

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| --- | --- | --- | --- | --- | --- | --- |
| Yes |  |  |  | No |  |  |

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| If ‘**Yes**’ please give us your VAT registration number.  |  |

*This information is important if you are a sole trader trading under the VAT threshold. Note that we cannot include VAT in match-funding calculations if this is claimed back at a later date.*

 *Note: all recoverable VAT is ineligible expenditure and your grant will be calculated on net expenditure (exclusive of VAT). If at any time the organisation registers/deregisters for VAT please inform the Project**Manager Immediately. Please seek advice from a VAT advisor if required*

**2.7 Previous Public Funding**

Has this business previously received any public funding or publically-funded support?

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| --- | --- | --- | --- | --- | --- | --- |
| Yes |  |  |  | No |  |  |

If ‘**Yes**’ please advise the **purpose**, **project reference number (if any),**  **amou**nt(s) and **date**(s) awarded.

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| --- | --- | --- | --- |
| **Purpose** | **Project reference No.** | **Amount** | **Date funding/support received** |
| *Where possible please include the type and name of support, the amount and the dates that this was received. This is to capture all information for state aid purposes and should include any future commitments. Note that the limit is €200,000 over a 3 year period.* |

**2.8 Project Match Funding**

Please indicate the **amount** and **source** of the match funding for this project and the **date of** **availability** of these funds

*There is a requirement for 50% of the funding for any project to be matched and this funding needs to be in place prior to any ERDF funding is awarded. The appraiser will also need to ensure that match funding must come from a ‘clean’ (i.e. non-European funding) source because any European funds obtained from other ESIF programmes cannot be used to match fund another ERDF grant. Therefore, information on the amount, source and date from which the match funding is available for this project is required.*

**Plea**

Please detail any **conditions** attached to **match** **funding** for the project. *Where possible please provide copies of offer letters.*

*Provide details of any conditions attached to the other funding for the project. This will enable the Programme Management Team to align our funding requirements with other partners.*

What will you do if the match funding for the project is not approved?

What other funding sources have you approached and what was the outcome?

*There are sometimes other options or funding avenues which need to be explored first. Please detail any research and/or contact with other agencies, bodies or organisations relating to this topic.*

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| **3** |  | **APPLICATION** |

**3.1 Risk Assessment**

*Please note there are ALWAYS risks to consider, for example; supplier delays, failure to recruit, lack of demand etc..*

Please set out the main risks associated with the Project, the level of risk, the contingency plans to deal with each risk and the level of mitigated risk as a result of the contingency plans.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Risk** | **Seriousness of risk** (High, Medium, Low) | **Probability of occurrence** (High, Medium, Low) | **Contingency plans**(i.e.how do you propose to manage the risks) | **Mitigated risk** (High, Medium, Low) |
| *All projects will have some risks in their delivery. It is far better for these risks to be identified and proper plans for mitigation put in place than it is for the risks to be ignored and allowed to escalate during the delivery of the project. The Folkestone Community Works programme is not adverse to funding activity which does have risks as long as a proper risk management process is evident.**Identify the key risks – i.e. things which may hinder the expected results – and for each risk, estimate the seriousness of the risk and the probability of it occurring, the steps to be taken to reduce/minimise these risks through contingency plans in place. It is not possible to mitigate all risks completely; however it should always be possible to reduce likelihood of a risk occurring, or the impact should it occur.* |

Please indicate how the projects meet all necessary guidance and legislation. For example, health and safety regulations, etc

*It is essential that you consider all relevant legislation and how this could affect the projects delivery. For each piece of guidance or legislation, detail how this could impact on the project cost, activities, outputs and results and how you propose to manage this.*

Do you need any statutory consent to deliver this project? For example planning permission/listed building consent etc.?

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Yes |  |  |  | No |  |  |

 If ‘**Yes**’ have you obtained all the necessary consents, attach a copy of the permission and any conditions.

*For some projects, statutory consents, such as planning permission or Greenfield consent can seriously delay or even stop the project from going forward. Please detail all relevant consents required for our proposed project and give details of current progress for this requirement. For consents not yet granted, detail what you think the likelihood of this is, explaining the basis of your expectations.*

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| **4** |  | **DECLARATION BY APPLICANT** |

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| *All project Applications must be signed by an individual within the project organisation with the delegation to commit the organisation to the project. Ensure the applicant’s name is printed and their position within the organisation clearly stated e.g. Chief Executive or Financial Director* |