

## South East Midlands Kickstart Grant Scheme Grant Guidance Notes (November 2020)

Funded by the European Regional Development Fund, the South East Midlands Kickstart Grant Scheme will be delivered by SEMLEP's Growth Hub. The Kickstart Grants cover both ERDF Kickstarting Tourism and SME Recovery Grant Schemes.

There is a limited pot of funding available to support SMEs respond to the immediate COVID-19 crisis for companies across the South East Midlands, so we are looking for companies to bring forward investment projects who have been impacted. The South East Midlands is comprised of the following local authority areas:

- Bedford Borough
- Central Bedfordshire
- Luton
- Milton Keynes
- Northampton Borough Council
- East Northamptonshire
- Corby
- Wellingborough
- Daventry
- South Northamptonshire
- Kettering

**If you have any accessibility needs, please email the Growth Hub team on [kickstart@semlep.com](mailto:kickstart@semlep.com), providing an outline of your needs.**

### 1. **Is my proposal eligible?**

Your business must be based in the SEMLEP area and you must be able to implement your proposals as soon as you have been successful with your grant application. All required permissions must be in place (such as a planning permission, licences).

### 2. **Do I employ less than 250 full time people?**

You need to be classed as an SME to be eligible for this grant. If you are a UK registered enterprise and your business or group is an SME and employs up to 250 full time equivalent employees over the last two successive financial periods you may well be eligible. For more information about the definition of an SME visit [see here](#).

### 3. **Is my turnover less than £45 million?**

You need to be classed as an SME to be eligible for this grant. If you are a UK registered enterprise and your business or group is an SME and your turnover is less than €50m (which is approximately £45m) or annual balance sheet less than €43m (approximately £38.8m), you may well be eligible. For more information about the definition of an SME visit [see here](#).

#### 4. **Undertaking in difficulty as at 31 December 2019**

To qualify for funding your business cannot have been classed as an *Undertaking in Difficulty* as at 31 December 2019. This is normally indicated by a negative balance sheet value and is a complex area. If you are unsure, please refer to the *Undertaking in Difficulty* guidance (**Annex B**) and if necessary, speak to your accountant.

#### 5. **Are you in the visitor economy sector/ visitor economy supply chain? Or are you part of the wider economy?**

The aim of this grant programme is to provide support to both businesses within the visitor economy and wider economy. **Unfortunately, due to state aid restrictions, there are a few sectors which we cannot support.** We will not be able to help you if your business falls into one of the following sectors: primary agriculture (including processing and marketing of agricultural products), horticulture, fisheries, aquaculture, forestry, coal, steel, shipbuilding, synthetic fibres, mainstream care sectors, state funded health and medical services, mainstream education, accredited training providers, financial and insurance activities.

**Part of the funding is specifically for the Visitor Economy Sector. Please refer to Annex A to see the description of activities that we may be able to support if you are dependent on the visitor economy. If your business activity falls into the restaurants and other food and beverage services or passenger transport or transport equipment rental services, we may only be able to help you if you are dependent on leisure and business visitors for income.**

**Please note we are unable to support Private Owned Holiday Lets.**

#### 6. **You must be able to demonstrate that your business has been directly affected by covid-19**

**You will need to convince us there is a case for using grant funding to support your project, for example by:**

- Demonstrating that there is a direct link between COVID-19 and the proposed activity.
- Identifying how COVID-19 has impacted your business, what services and/or goods you are planning to purchase.
- Identifying what impact this grant support would have on your business to mitigate/ rectify the damage caused.

## 7. What funding is available?

Grants will be awarded at 100% of the total cost of your proposed project. The majority of these will be to a maximum of £3,000 (minimum grant of £1000). In **exceptional circumstances only**, grants of up to £5000 may be awarded. The Scheme has been designed to provide vital funding for local SMEs with grants to assist with:

- Purchase of **minor equipment** to adapt or adopt new technology in order to continue to deliver your business activity or diversify in response to COVID-19

and/or

- 1-2-1 **specialist advice** to address your immediate needs in response to the impact of COVID-19, e.g. HR, accountants, legal, financial, H&S, IT / digital or sector specialists etc. this could also include supporting you with productivity improvements such as enhanced use of digital tools, such as yield management software, mentoring, networking, or other measures. It could also support to develop innovative delivery in a socially distanced economy.

We **cannot** help with all business costs and here are some examples that **cannot** be included:

- Cashflow
- Buying stock
- Wage subsidies
- Premises costs, such as refurbishment
- Purchase of consumables associated with PPE and social distancing measures
- Capital items that individually exceed £3,000 (£1,000 if the item is mobile/portable; this includes **mobile phones, tablets, laptops and computers**)
- Expenditure on continuous or periodic activity, routine tax consultancy, regular legal services or advertising, or costs that are required to comply with national or EU standards, or costs related to this or other grant funding applications are not eligible
- Non-business expenditure
- Any other costs that are considered not eligible for support – including core organisational costs

## 8. What can the funding be used for?

Below are some examples that the Kickstart grants can be used for. However, the **emphasis is on the applicant to demonstrate the impact of COVID-19** and how the purchase(s) would help:

- IT services such as website development; CRM system; cloud-based storage, social media campaign or IT backup systems.
- Professional services such as HR, accountants, legal, financial, IT or digital.
- Consultancy relating to marketing, market research and development, strategic development or product development.
- Minor equipment such as storage racking, machine tooling or IT equipment (if it can be demonstrated that this was required to keep the business operational and productive).

Please note, the following are not eligible, this list is not exhaustive:

- Costs associated with delivering or receiving accredited training.
- Bike racks, showering facilities, personal lockers or other core organisation costs.
- Physical changes to implement social distancing (e.g. perspex screens, minor building works).
- PPE including masks, visors, hand gel (including dispensers).

## 9. Important notes

- Your total project cost must equal the amount of grant you are applying for. For example, if you are applying for a consultancy project costing £2850, the grant requested would be £2850. **Grants of over £3000 will only be approved in exceptional circumstances.**
- Your total spend must not be less than £1,000.
- **Goods or services already purchased cannot be supported.** Before proceeding with your project in any way, such as purchasing, ordering, making a deposit etc, you must wait to hear from us regarding a grant decision.

Grants are awarded on a **discretionary basis** and are subject to eligibility checks and approval.

## 10. How do I apply for funding?

During September 2020, SEMLEP's Growth Hub opened for the first round of applications for these grant schemes. There is unallocated funding remaining, so we would like to invite more businesses to apply.

From Wednesday 18<sup>th</sup> November 2020, an expression of interest (EOI) form will be available on the webpage, [click here to access to the grants webpage.](#) Please complete this form if you wish to be considered for either a Kickstarting Tourism or SME Recovery grant. This EOI form will be open for one week and will close at 2pm on Wednesday 25<sup>th</sup> November 2020.

We will put all EOIs into a ballot and select a number at random. Those successful will be invited by email to complete and submit the full application form and will have 1 week to do this. This ballot process will repeat until all grant funding has been allocated, with all EOIs submitted 18-25 November being entered.

Please take the time to review this Grant Guidance Notes document prior to completing the application form. If you have any questions or queries surrounding eligibility it is best to ask before you submit as any ineligible applications will be rejected. If you have any questions, please email [kickstart@semlep.com](mailto:kickstart@semlep.com). Our grants officers are working remotely and do not have phones.

You will need to obtain two quotes where possible for each item of proposed expenditure **and attach these to your online application form.** You are not obliged to accept the lowest quotation received, but a written explanation of the rationale behind any such decision will be required which demonstrates the chosen supplier's experience and/or value for money. For smaller or generic goods/services, it is acceptable to use printouts from websites.

#### 11. **How are grant applications assessed?**

Once we have received your application, we will undertake an eligibility review of your proposal based on the details and the supporting information that you provide. You may also be asked for additional information during this process, to enable an assessment of, for example, eligibility, financial viability etc.

Your application, along with a relevant report, will then be submitted to an independent assessment panel who will consider each proposal against the aims of the grant scheme and take a final decision.

We aim to issue successful applicants with a Grant Offer letter within three weeks of their application window closing – however this may take longer if applicants are required to provide any further clarification / information. The Grant Offer letter will need to be signed and returned to accept the terms of the grant. Please be aware, full compliance with the eligibility criteria does not guarantee that your application will be successful, as grants are discretionary.

#### 12. **I applied during the original round of applications in September/October. Can I apply again?**

- If your application was successful then no, you cannot apply for another grant from this scheme.
- If your application was unsuccessful, but you feel that you can make an eligible application then you are welcome to reapply.

#### 13. **If I am successful, how should I pay for the grant supported costs?**

Please note that all project expenditure must be seen to be paid directly from your business bank account (unless you are a sole trader). **Grant monies cannot be paid in advance.**

The funding for the project must come from private sources, e.g. company funds, a bank, private or personal loan, venture capital investment etc.

#### 14. **How do I claim the grant?**

If your grant is approved, you will be issued with a formal Offer Letter that will include information about your grant offer and eligible project costs, conditions of the offer and information on how to claim the grant.

Once you have formally accepted a grant offer, you can begin expenditure on the project. It is important to note that **costs incurred before the acceptance of the offer cannot be supported.**

To claim your grant, you will need to submit a short Claim Form and provide supporting documentary evidence:

- Invoice(s) for all items being claimed from the supplier of goods and/or services to the business.
- Copies of invoices and bank statements of the applicant business confirming payment (documents must be certified as true copies of the original documents, dated, and signed).

- If you pay your suppliers using a credit card, a certified redacted business bank statement showing full payment to the credit provider.
- For second-hand equipment, a statement from the supplier confirming that the equipment you purchased was not originally purchased with the aid of any national or community grants.

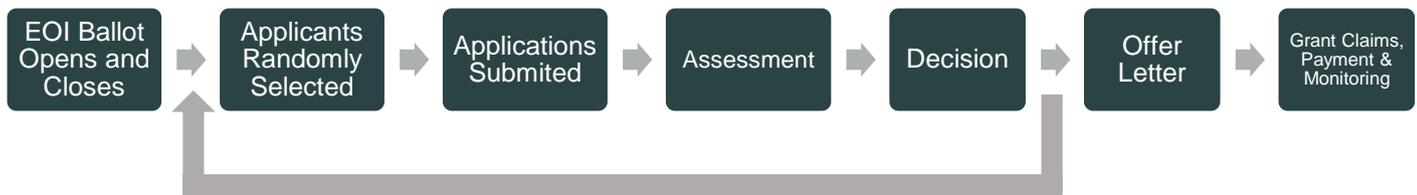
Please note, you can make **only one claim for the whole grant value after you have spent all the planned project costs**. This must take place within the timescale as indicated on your grant offer letter and must be no later than 28<sup>th</sup> February 2021.

Progress on your project will be monitored by SEMLEP's Growth Hub throughout - and possibly beyond the period of its delivery. We reserve the right to visit any grant recipient to ensure the grant has been used for the purpose stated in the Grant Agreement, inspect records to show that costs have been evidenced and make a formal assessment of the impact of the project. Grant recipients are obliged to cooperate with this process.

#### 15. What do I do if I do not have a registered SIC Code or multiple SIC Codes?

Please select the SIC code that closest matches your business type. The [Office for National Statistics website](#) has more information about SIC Codes.

The chart below shows the grant application stages.



## Annex A - Visitor Economy

SIC	Description	Tourism Sector
49100	Passenger rail transport, interurban	Railway passenger transport services
49320	Taxi operation	Road passenger transport services
49390	Other passenger land transport n.e.c.	Road passenger transport services
50100	Sea and costal passenger water transport	Water passenger transport services
50300	Inland passenger water transport	Water passenger transport services
51101-51102	Passenger air transport	Air passenger transport services
55100	Hotels and similar accommodation	Accommodation services for visitors
55201-5520255209	Holiday centres, villages, Youth hostels, Other holiday, and collection accommodation	Accommodation services for visitors
55300	Recreational vehicle parks, trailer parks and camping grounds	Accommodation services for visitors
55900	Other accommodation	Accommodation services for visitors
56101-5610256103	Licenced and un-licenced restaurants, cafes, takeaway food shops and mobile food stands	Food and beverage serving activities
56210	Event catering activities	Food and beverage serving activities
56290	Other food services	Food and beverage serving activities
56301-56302	Licenced clubs, public houses , and bars	Food and beverage serving activities
68201-68202	Renting and operating of own or leased real estate	Exhibitions & Conferences etc
77110	Renting and leasing of cars and light motor vehicles	Transport equipment rental services
77210	Renting and leasing of recreational and sports goods	Sport and recreation activities
77341-77342	Renting and leasing of water transport equipment	Transport equipment rental services
77351-77352	Renting and leasing of air transport equipment	Transport equipment rental services
79110	Travel agency and tour operator activities	Travel agencies & other reservation services
79120	Tour operator activities	Travel agencies & other reservation services
79901-79909	Activities of tourist guides and other reservation service and related activities	Travel agencies & other reservation services
82301 - 82302	Activities of exhibitions, fair organisers, conference organisers	Exhibitions & Conferences etc
90010	Performing arts	Cultural activities
90020	Support activities to performing arts	Cultural activities
90030	Artistic creation	Cultural activities
90040	Operation of arts facilities	Cultural activities
91020	Museum activities	Cultural activities

91030	Operation of historical sites and buildings and similar visitor attractions	Cultural activities
91040	Botanical and zoological gardens and nature reserve activities	Cultural activities
93110	Operation of sports facilities	Sport and recreation activities
93199	Other sports activities	Sport and recreation activities
93210	Activities of amusement parks and theme parks	Sport and recreation activities
93290	Other amusement and recreation activities	Sport and recreation activities

82990 - Other business support service activities not elsewhere classified

## **Annex B - Undertaking in Difficulty**

### **Extract from COMMISSION REGULATION (EU) No 651/2014 – 17 June 2014**

(18) 'undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

- (a) In the case of a limited liability Company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the Company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'limited liability Company' refers in particular to the types of Company mentioned in Annex I of Directive 2013/34/EU (1) and 'share capital' includes, where relevant, any share premium.
- (b) In the case of a Company where at least some members have unlimited liability for the debt of the Company (other than an SME that has been in existence for less than three years or, for the purposes of eligibility for risk finance aid, an SME within 7 years from its first commercial sale that qualifies for risk finance investments following due diligence by the selected financial intermediary), where more than half of its capital as shown in the Company accounts has disappeared as a result of accumulated losses. For the purposes of this provision, 'a Company where at least some members have unlimited liability for the debt of the Company' refers in particular to the types of Company mentioned in Annex II of Directive 2013/34/EU.
- (c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
- (d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.
- (e) In the case of an undertaking that is not an SME, where, for the past two years:
  - (1) the undertaking's book debt to equity ratio has been greater than 7.5 and (2) the undertaking's EBITDA interest coverage ratio has been below 1.0