

Recovery and Innovation Grant Scheme Grant Guidance Notes (January 2022)

The Recovery and Innovation Grant Scheme is being Additional Restrictions Grant (ARG) funded and is being delivered by SEMLEP's Growth Hub. The grant scheme will provide support to enterprises across Central Bedfordshire that have been **negatively affected by Covid-19** and are looking at ways to **recover** and **innovate** following the pandemic.

Impact of the Covid-19 Pandemic

The ARG funded Recovery and Innovation Grant Scheme aims to support businesses severely impacted by coronavirus restrictions and the rise of the Omicron variant. Examples of severe negative impact could include:

- Significant drop in turnover (either in comparison to pre-Covid years or compared to forecasts).
- Considerable drop in number and/or value of sales/orders/bookings.
- Major issues with the cost/availability of materials.
- Considerable difficulty retaining and/or recruiting staff.

Recovery

This grant scheme is designed to aid growth and recovery. As such, there is a requirement for enterprises to create jobs as a result of their Recovery and Innovation project. At least one FTE job is to be created per £10,000 of grant, consistent with your sustainable business case. These new jobs would need to be realised within 1 year of grant award.

Innovation

The grant funding must help the funded enterprise to become more innovative. This could include product, service or process innovation within the business, to include one or more of the following:

- Introducing a new product to the business or the market
- Introducing a new service to the business or the market
- Introducing a new process to the business

The innovation support can include the introduction of 'new to the market' products in any of its markets. A product is new to the market if there is no other product available on a market that offers the same functionality, or the design or technology that the new product uses is fundamentally different from the design or technology of already existing products. Products can be tangible or intangible (including services).

Alternatively, the grant can support the development of a product / service if it is new to the business; if the enterprise did not produce a product with the same functionality, or the production technology is fundamentally different from the technology of already produced products. Products can be tangible or intangible (including services).

Funding Available

The Recovery and Innovation Grant Scheme has a total allocation of £200,000. There are grants of **up to £20,000** available to support SMEs severely impacted by Covid-19 restrictions, which may or may not be in the business rates system. Enterprises that have already had a £3,000 grant through SEMLEP's Central Bedfordshire Intensive Business Support programme can apply for a maximum of £17,000. These grants are funded by Department for Business, Energy & Industrial Strategy (BEIS), through Central Bedfordshire Council Additional Restrictions Grants (ARG).

The grants may be used for **revenue and/or capital** expenditure.

There is no requirement for enterprises to contribute match funding, but the grant can be used towards the total project cost.

Please note, that whilst we endeavour to help as many enterprises as possible, it is the nature of grant schemes that the pot of money available is finite, as detailed above. Submission of a completed application does not itself guarantee funding. Please consult the Grant Scheme Process (below) for details on how applications will be considered.

Eligible Businesses

To be eligible for grant funding, applicants must meet the aims of the Grant Scheme (above), and the following essential criteria:

- Be an SME (your company (or group) must employ less than 250 people and your turnover is less than €50m or annual balance sheet less than €43m).
- Be a trading enterprise, or engaged in business activity (e.g. actively preparing to open/reopen), (and provide financial history, ideally the most recent filed accounts). Fully constituted businesses in liquidation, dissolved, struck off or subject to a striking-off notice are not eligible.
- Be registered in the UK and have a base in the Central Bedfordshire Local Authority area (use this online tool to check if you are unsure <https://www.gov.uk/find-local-council>).
- Be ready to invest or expand in the Central Bedfordshire area.
- Must not be an undertaking in difficulty¹.
- Repeat/multiple applications, including from linked companies will not be considered.

Expenditure

Project costs can be either capital or revenue but must be linked to the aims of the Grant Scheme: Recovery and Innovation, as detailed above.

We cannot fund (this list is not definitive):

- Core running or staff costs.
- Any costs incurred before a grant offer is made.
- Items that are not directly needed to deliver the proposed work.
- The direct replacement of items for an existing purpose e.g. to replace broken, worn out or outdated equipment.
- IT equipment, including (but not limited to) laptops, computers, monitors, peripherals, servers, phones, tablets, screens, scanners, printers, photocopiers, network devices and physical storage.
- The purchase of land and/or buildings.

- VAT.
- Repeat applications, including from linked companies.
- Any individual capital item costing over £189,330, or any service over £25,000 (ex VAT)

Grant monies will be paid out on award. Evidence of all project expenditure being paid from your business bank account must be submitted once the purchase(s) are complete (in the form of invoices and redacted bank statements). **This evidence must be submitted by 25th March 2022.**

Process

1. 1st February 2022: This grant guidance will be made available on SEMLEP's Growth Hub website, along with the grant application form and Subsidy Control form.
2. 7th February 2022 (noon): Applicants to submit their completed application forms to ARG@semlep.com along with:
 - Proof of company registration/UTR/Partnership/charity number.
 - A copy of the company's most recent filed accounts (or more recent draft accounts if appropriate).
 - Proof of link to the Central Bedfordshire Local Authority Area.
 - Completed Subsidy Control form.
 - A self-declaration from the business to confirm the product, process or service is new to the market/business.
 - 3 comparative quotes in a manner that provides reassurance of best value and due process for each proposed item of expenditure.
 - Specification brief for any individual capital items valued at £25,000 (ex VAT) or more.
 - Front page of a recent (within 3 months) bank statement for the business's bank account, showing account name, number and sort code.

If multiple emails are required due to size of attachments, please confirm how many emails (or attachments) you have sent. We will not make contact to chase up missing evidence, so please ensure that everything is submitted.

3. The application window will close on 14th February 2022 at noon.
4. SEMLEP's Growth Hub will confirm receipt of your application by return email.
5. SEMLEP's Growth Hub will undertake a Gateway Assessment of your proposal based on the details and the supporting information that you provided. See the separate R&I Assessment Criteria document for full details of these criteria.
6. Applications that pass all of the Gateway Criteria will be reviewed by two appraisers who will score each application on the criteria detailed in the separate R&I Assessment Criteria document.
7. Grant applications, along with a relevant appraiser's report, will be submitted to an independent Assessment Panel who will consider each proposal, in the order that they were received, against the aims of the grant scheme and take a final decision, subject to funding availability.
8. Successful applicants will receive a grant Offer Letter via email, this will need to be signed and returned to accept the terms of the grant. Once the Offer Letter has been signed, expenditure can begin on the project. It is important to note that costs incurred before the acceptance of the offer cannot be supported.
9. Once the Offer Letter has been signed SEMLEP will pay the agreed grant to the business's bank account, using the details on the bank statement submitted with the original grant application.

10. Within **seven days** of completing payment for the project, evidence of all project expenditure must be submitted in the form of **invoices and redacted business bank statements**. This must be done by 25th March 2022. Failure to submit this evidence may result in the grant monies being clawed back.
11. New jobs must be realised within one year of grant award.

Next steps

If you have any questions about this grant scheme, the process, or the required documentation please contact the Grants Team via ARG@semlep.com We strongly advise you to do this before 4th February 2022 so that the team have time to respond prior to the application window opening. The team will aim reply to queries within 1 working day.

¹ The definition of '**undertaking in difficulty**' includes businesses that:

- have accumulated losses greater than half of their subscribed share capital (for limited liability companies) or capital (for unlimited liability companies)
- have entered into collective insolvency proceedings or fulfilled the criteria to be put into collective insolvency proceedings
- have previously received rescue aid that was yet to be reimbursed or (in the case of a guarantee, terminated)
- have received restructuring aid and were still under a restructuring plan
- have (where the undertaking is not an SME) fallen below the required solvency ratios (see further below) for the previous two years.