



Warwickshire County Council Growth Fund

Small Capital Grants

2016/ 2017 Guidance for Applicants

Updated October 2017



1. Introduction

Warwickshire County Council offers **small capital grants** to small businesses with growth plans.

The funding is part of a £2 million package of business loans and grants agreed by the County Council to support Warwickshire's businesses.

This document provides more information about the grant scheme and explains how to apply.

2. Who can apply?

Micro and small enterprises can apply. A micro-enterprise is defined as an enterprise with fewer than 10 employees whose annual turnover OR balance sheet does not exceed €2 million (about £1.6 million). Relationships with other enterprises are also taken into account when determining whether or not you meet these criteria. A small business is defined as a business with fewer than 50 employees whose annual turnover OR balance sheet does not exceed €10 million (about £7.9 million). Again, relationships with other enterprises are also taken into account.

Applicants must be based in Warwickshire. **Interested applicants should contact Warwickshire County Council on 01926 412709 at the earliest opportunity to check the eligibility of their project.**

Applicants must also be able to demonstrate significant growth potential. This is defined as an existing business seeking to increase turnover by 20% over the next three years or a new start-up forecasting to employ three more staff or generate £300,000 annual turnover within three years.

Particular priority will be given to applications from businesses in the following priority sectors for Warwickshire:

- Advanced manufacturing and engineering;
- Creative industries;
- Digital media and gaming;
- Intelligent transport systems;
- Low carbon technologies;
- Professional services;
- Tourism and culture.

Applications from businesses that are led by women are also encouraged.

3. How much funding is available?

The scheme will provide support for eligible projects requesting between **£5,000 and up to £35,000 of grant**.

Grant support up to a **maximum of 40% of the total eligible costs** is available. Match funding must be cash (rather than 'in kind') and from private sector sources.

Applicants will need to demonstrate the need for the requested level of public funding and how their project will comply with European Union State Aid rules. Applying is a competitive process, and value for money/ impact will be a key factor when projects are appraised and selected.

Up to £250,000 is available in 2016/ 2017 and a further £350,000 is available in 2017/ 2018.

Warwickshire County Council reserves the right to increase or decrease these indicative allocations or to support more or fewer projects depending on the volume and quality of the applications received.

4. What activities are eligible?

The scheme can only support **capital costs**. It is designed to help micro and small businesses put in place the full funding package needed for capital investments that will diversify or modernise their operations, leading to economic growth. Grants are only available towards the costs of tangible capital assets including:

- The refurbishment or extension of property;
- The purchase of new equipment and machinery (including finance leases with an obligation to buy);
- Architect, engineer or consultant fees for the project (up to 15% of the project's total costs);
- The purchase of dedicated computer software including development costs where they are directly attributable to bringing a computer system or other computer-operated machinery into working condition.

Grants are not available towards the costs of buying land or property.

The speculative conversion of buildings into business premises also is not a priority for the Growth Fund and will not be supported.

There is a list of ineligible activities and costs which cannot be claimed in **Appendix A**.

Interested applicants should contact Warwickshire County Council on 01926 412709 at the earliest opportunity to check the eligibility of their project.

5. The Application Process

The application process is competitive and those projects offering the greatest return on investment are more likely to be supported.

There is a short application form to complete. **Applicants should contact the County Council on 01926 412709 to discuss their project and to request a copy of the application form.** This is to allow us to ensure that your project meets the eligibility criteria and application requirements.

You will also be offered support with developing your application, most likely by our access to finance partner, University of Warwick Science Park (UWSP). This will include an initial review of your project and advice on the application process and supporting information required. You may also be offered support with preparing your application. **We strongly advise that you accept any offer of support to afford your application the best chance of success.**

You may also use your own third party consultant. However, you are still required to discuss your application with the County Council or UWSP. There will also need to be a meeting directly with you, the business, as part of the application process.

As part of your application, you will need to demonstrate the need for your project in the marketplace and the demand that has been identified. You will also need to explain how the project will enable significant change in your business.

Applications may be competitively ranked against each other. The assessment will consider the extent to which a project supports the objectives of the Growth Fund, the need for a grant from the public sector, the number of jobs to be created, value for money and deliverability.

A range of supporting documentation is required along with other information depending on your project. For example, you will need to demonstrate that you have the relevant statutory approvals or permissions required for your project to be able to proceed (such as planning permission). You will also need to provide like-for-like quotations or tenders for all project costs.

During 2016 / 2017 applications may be submitted at any time. The Grants Panel usually meets every 4-6 weeks to consider applications. We will discuss with you, as part of the application process, the best time to submit your application. The next deadline for applications is **Tuesday 5th December 2017 at 5pm.**

Applications must be submitted on time to allow adequate time for them to be reviewed and assessed before the Grants Panel. Applications submitted after the deadline will not be considered.

6. State Aid

Your project must comply with European state aid rules. Funding will normally be awarded under the de minimis regulation which restricts the amount of aid that any business can receive over a three year period to €200,000 (about £170,000).

Therefore, applicants must declare how much public sector funding they have received under the de minimis regulation within the last five years. This may reduce the amount of money that you can apply for.

We will also work with you, as part of the application process, to confirm that your project meets state aid rules.

7. Procurement

In order to ensure best value for money, all goods and services claimed for as part of the project need to be openly and fairly procured.

Applicants need to provide written quotes, references to catalogue listings or formal tenders as part of their application. The following table provides general guidelines depending on the value of an individual item.

£500 or below	Two written quotes or references to catalogue listings.
£501 up to £1,500	Three written quotes or references to catalogue listings.
£1,501 up to £50,000	Three written quotes or formal tenders.
£50,001 or more	Three formal tenders by invitation.

Projects involving goods and services above the EU threshold (currently €209,000) should be discussed with Warwickshire County Council at the earliest opportunity.

Advice on procurement and the requirements is available as part of the application process.

8. Permissions and Consents

If your project requires permissions or consents (e.g. planning permission or landlord consent), you can still apply but you will need to explain your timetable for obtaining them in your application.

Grant funding is not available towards the costs of getting any permissions or consents.

9. Output Definitions

All projects will be assessed on the number, type and quality of outputs they will deliver. This section of the guidance should be used to help determine the outputs for your project. Should your project be approved, then the outputs included in your application will form part of the grant agreement. The realism of your outputs will be tested as part of the assessment process.

Jobs created (Employment increase in supported businesses): Jobs created are where new, permanent and paid jobs are created. Date of creation is the day the new employee starts work in the business. The job should not have existed before. Jobs should also have a life expectancy of at least 12 months. A full-time equivalent (FTE) job created can still be counted even if it does not last for 12 months provided there is contractual evidence that the intended life expectancy of the job was 12 months.

Full time equivalent: Paid work of 36 hours or more per week. Part-time jobs should be treated on a pro-rata basis. Seasonal jobs can be counted where this is normal practice for an industry. The job must exist for a minimum of four weeks per annum and it should be counted on a pro-rata basis. E.g. a three month job = 0.25 FTE or two part-time jobs = 1 FTE (if no other information is available).

All jobs created will also need to be reported on the basis of gender, age, disability and ethnicity.

Jobs safeguarded: A job is considered as 'safeguarded' if a job which was considered at risk when a business applied for the grant is still in existence at the time of counting, and is no longer at risk of being lost within a year. The job must not be counted again if it is filled over time by different individuals. Jobs safeguarded are also counted as full time equivalents as per the guidance above.

Number of new to the market/ new to the firm products introduced: If the project involves new products, either new to the market or new to the firm, these should be also reported. Products can be tangible or intangible (including services and processes).

A new to the market product is one where there is no other product available with the same functionality or it is fundamentally different in design or technology to already existing products. A new to the firm product is one where there is no other product available at that business with the same functionality or it is fundamentally different in design or technology to already existing products at that business.

10. Grant Offer

Successful projects will be invited to enter into a grant agreement with Warwickshire County Council. This will explain when a project can start and any terms and conditions which have to be met.

The standard terms and conditions are available to applicants on request and it is recommended that you familiarise yourself with them.

11. Publicity

The grant agreement will also explain the rules for publicising the grant support from Warwickshire County Council. We may ask you to acknowledge the funding in any press releases or when communicating with customers (for example on web sites). We may also ask you to display a poster or plaque (depending on the project).

Advice on publicity will be available as part of the application process and at any grant offer stage.

12. Contact

Warwickshire County Council

Economy and Skills Group
Communities Group
PO Box 43
Shire Hall
Warwick
CV34 4SX

Tel. 01926 412709

business@warwickshire.gov.uk

Appendix A

Ineligible activities

The following activities are not eligible for support:

- The purchase of land or property;
- The speculative conversion of buildings into business premises;
- The like-for-like replacement of equipment or machinery;
- Computers and software used in the general running of the business;
- Projects which are required by law or to meet a legal requirement;
- Projects where the applicant cannot demonstrate a market demand.

Ineligible costs

The following costs also cannot be claimed:

- Expenditure incurred before the start date in the grant offer;
- The costs of getting any permissions or consents;
- Working capital;
- Mobile infrastructure such as vehicles, portable equipment, mobile plant;
- Project management costs;
- Overheads allocated or apportioned at rates materially in excess of those used for any similar work carried out by the applicant;
- Notional expenditure;
- Depreciation, amortisation and impairment of assets purchased with the help of the Grant;
- Interest charges unless under an approved State Aid scheme;
- Service charges on finance leases, hire purchase and credit arrangements;
- Costs resulting from the deferral of payments to creditors;
- Reclaimable VAT;
- Expenditure supported from other government sources, local authority grants, charges paid by leaseholders, or EC structural funds, to the extent that the combined grants and other support total more than 100% of the project or scheme costs;
- Any cost relating to insurance policies.

This list is not exhaustive. Applicants should contact Warwickshire County Council's Economy and Skills Group on 01926 412709 to check the eligibility of their project.