

Warwickshire County Council Covid-19 Recovery and Investment Grants

Adapt and Diversify Grant – Guidance for Applicants – Round 2

April 2021



1. Introduction

Warwickshire County Council has established a number of Covid-19 recovery and investment programmes as part of a package of funding approved by the Council to support economic recovery in the county.

This scheme is for small retail, hospitality, tourism and leisure businesses and certain identified businesses in their supply chains that have also been affected by Covid-19. All applicants must be able to demonstrate that they have been negatively affected by Covid-19 and have clear plans to adapt or diversify their business.

This programme opens to applications on **Monday 17th May 2021** at 9.30am and will remain open until the available funding has been allocated. There will be an online application form. This document provides advance information about the scheme and how to apply.

2. Who can apply?

Micro and small enterprises in the retail, hospitality, tourism and leisure sectors can apply as well as certain identified businesses in their supply chains that have also been affected by Covid-19. All applicants must be able to demonstrate that they have been negatively affected by Covid-19 and have clear plans to adapt or diversify their business.

This includes **ALL** types of businesses. It also includes those who have received Government Covid-19 grants. If you have already received or been offered a Covid-19 recovery grant by WCC, you are **not** eligible to apply. This includes the following grants: Retail and Hospitality, Survive, Sustain and Grow and Adapt and Diversify Round 1.

WCC has published a list of eligible SIC codes (standard industrial classification of economic activities). Applicants must check they fall into one of the eligible SIC codes before applying.

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 £1.8 million). Relationships with other enterprises are also taken into account when determining whether or not you meet these criteria.

A small enterprise is defined as a business with fewer than 50 employees whose annual turnover OR balance sheet does not exceed €10 million (£8.9 million). Again, relationships with other enterprises are also taken into account.

Applicants must be in the retail, hospitality, tourism and leisure sectors or their supply chain and be based in the local authority area of Warwickshire (with an eligible postcode). Applicants must have a minimum of one-year trading history in order to be able to demonstrate that have been negatively impacted by the Covid-19 crisis.

The minimum requirement is that applicants must be safeguarding jobs within their business, even if that job is just their own.

Applications will be considered on a first come, first served basis. All applicants must be able to demonstrate they have been negatively affected by Covid-19, and have clear plans to adapt or diversify their business.

3. How much funding is available?

Grants of between £2,500 and £5,000 are available for support with accessing specialist external expertise and grants of £2,500 and £20,000 for accessing specialist expertise and / or the purchase of new equipment or the refurbishment of property.

Applicants will need to demonstrate the need for the requested level of public funding and how their project will comply with the new UK Subsidy Control Regime.

Up to £1.5 million has been made available in total. The funding is being allocated in two rounds. £1 million was made available in the first round on a first come, first served basis and the scheme had to close on the day it was launched due to the overwhelming level of interest. This is the second round and up to £850K is available. This round is likely to be oversubscribed again, so preparation and early submission of your application will be key.

Funding will be allocated on a first come, first served basis to eligible businesses which can demonstrate that they have been negatively affected by Covid-19. WCC reserves the right to increase or decrease the funding available, or to support more or fewer projects depending on the volume of the applications received.

WCC also reserves the right to close the scheme to applications once sufficient applications have been received.

4. What activities are eligible?

The scheme can fund both revenue and capital costs. Grants can be used to support the following activities:

- Access to specialist external professional advice e.g. HR, accountants, legal, financial, IT/ digital, marketing.
- The purchase of equipment to adapt or adopt new technology in order to deliver business activity or diversify.
- The refurbishment or refit of property including fees.

Grants of between £2,500 and £5,000 are available for support with accessing specialist

external expertise and grants of £2,500 and £20,000 for accessing specialist expertise and/ or the purchase of new equipment or the refurbishment of property.

Grants are not available towards the costs of buying land or property. This includes speculative conversion of buildings into business premises.

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

5. The Application Process

Applications will be considered on a first come, first served basis. All applicants must be able to demonstrate they have been negatively affected by Covid-19 **and** have clear plans to adapt and diversify their business.

There will be a short, online application form to complete. This is to allow us to ensure that your project meets the eligibility criteria and application requirements.

A range of supporting documentation is required depending on your project. For example, you will need to be able to demonstrate that you have the relevant statutory approvals/ permissions required for your project to be able to proceed (e.g. planning permission).

You will also need to provide three like-for-like quotations (or estimates) for all costs. A minimum of one quote should be from a Warwickshire-based supplier and we encourage applicants to seek as many local quotes as possible.

Applications received that do not include all the mandatory supporting information will be automatically rejected, so please ensure you check you have this information to hand before completing your application.

6. UK Subsidy Control

Grant funding provided by the Council must comply with the new UK-EU Trade and Cooperation Agreement (TCA). Article 3.2(4) of the TCA provides that the TCA Subsidy Control provisions do not apply to subsidies where the total amount granted to a single economic actor is below 325,000 Special Drawing Rights (approximately £345,000) over any period of three fiscal years. This is similar to the former De Minimis Regulation.

For the purposes of assessing applications, we will apply the current £345,000 limit to funding. When applying, applicants must declare how much public sector funding (including consultancy support) they have received under the De Minimis Regulation within the last five years. This may reduce the amount of grant available to support your project.

Payments received under the Covid-19 Temporary Framework, “furlough” payments, tax payment deferrals and business rate relief will not be counted towards the £345,000 limit.

7. Procurement

In order to ensure best value for money, all goods and services will need to be openly and fairly procured.

Applicants need to provide written quotes/ estimates, references to catalogue listings or formal tenders as part of their application. A minimum of one quote should be from a Warwickshire-based supplier and we encourage applicants to seek as many local quotes as possible.

The table on the following page provides general guidelines depending on the value of an individual item.

Supplementary guidance on the requirements expected from quotes and ensuring value for money is included on Appendix B£500 or below	Two written quotes/ estimates or references to catalogue listings. A minimum of one from a Warwickshire-based supplier.
£501 up to £20,000	Three written quotes/ estimates or references to catalogue listings. A minimum of one from a Warwickshire-based supplier.

Projects involving goods and services above the EU threshold should be discussed with WCC at the earliest opportunity.

8. Permissions and Consents

If your project requires permissions or consents (e.g. planning permission or landlord consent), you will need to explain your timetable for obtaining them in your application. If you are not sure whether your project needs permission or consents, it is up to you to check this. Any grant offers made based on projects that do not have permission or consent are likely to be withdrawn.

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

9. Output Definitions

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.

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 below.

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 a specific industry.

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

10. Grant Offer

Successful applicants will be invited to enter into a grant agreement with Warwickshire County Council. This will explain when a project can start and all terms and conditions including any project specific conditions.

20% of the grant will be paid in advance. The remainder of the grant will be paid on completion of the project.

WCC must always be notified immediately of any changes to a project. This might involve changes to the timing or the financing of a project. All changes must be agreed in writing by WCC.

Once you have returned your signed grant offer letter, we will send you your claim documentation and instructions on how to complete and submit your claim/s.

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 at any grant offer stage.

12. Contact

All enquiries should be emailed to 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;
- Projects which are required by law or to meet a legal requirement e.g. Disability access improvements;
- Internal staffing costs;
- 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 letter: unless this is related to the adaptation and diversification of the business and has taken place since 2nd December 2020^[ME1], if you can provide evidence that our eligibility criteria has been met;**
- Mobile infrastructure such as vehicles, mobile plant;
- 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.

Appendix B

WCC Adapt and Diversify – Supplementary Guidance on Quotes

Quotes

You are required to provide three quotes or tenders (or two if the value is £500 or less for every item included in your application and would encourage you to use Suppliers based in Warwickshire wherever possible. Where you have been unable to provide three like-for-like quotes, please explain the reasons why and you will need to show that the quotes you are providing demonstrate value for money and the items are fit for the purpose of the project. If you are unable to provide three quotes, we may not be able to include the item in the grant offer if you are unable to demonstrate value for money.

The following requirements apply. All quotes must:

- Be independent of each other (i.e. from different suppliers that trade as standalone business entities that are not linked through shared ownership);
- Be independent of the applicant;
- Be comparable (e.g. of same or similar specification (quality), size, quantity, units);
- Include a detailed and itemised breakdown of costs;
- Be dated within the last six months and still valid;
- Be addressed to the grant applicant business at the address shown on the application form – any online quotes should also quote this address;
- Show the supplier's address, telephone number and contact details;
- Give the VAT number (if the supplier is VAT registered and VAT is charged on the quote); and
- Show the supplier's company registration number (if they are a limited company).

Where catalogue listings are allowed as set out in the guidance, applicants should send references to a catalogue listing as print-outs or photocopies, and they should include:

- the date on which it was printed or copied;
- the item description and the price;
- the name of the company or catalogue; and
- the page number or webpage

Value for money

In order to demonstrate value for money, it is expected that applicants use the cheapest supplier of each item, demonstrating best value on the market for the project item. If your preferred supplier is not the cheapest, please explain why. We may not be able to accept the cost of your preferred supplier and this may reduce the grant for the item to the cheapest quote.

The following are not acceptable reasons for using a more expensive quote:

- the location of the supplier;
- the fact that the applicant has bought from a supplier before; or
- any offers the supplier makes to the applicant about future service or maintenance of equipment.

Independent quotes

The quotes you provide should be from businesses/ individuals who are independent from your business and you. If any of them are not, please provide details and explain how they are connected. If you are proposing to use a supplier that is connected to you or your business in any way and the quote is accepted, the total cost permissible for this item may be reduced when the grant is calculated.

Procurement rules

You are expected to comply with the procurement rules set out in the guidance for applicants. In most circumstances we expect that three quotes for each item will be sufficient. If you decide any of your project items need to be tendered, please explain the process you have followed to source the chosen tender and how the tenders comply with your process.

Second-hand items

If you propose to purchase any of the project items second-hand, you must explain these in your application form and provide the reasons why. In addition to the quote you will also have to provide the following written confirmation:

- The seller of the equipment shall provide original proof of purchase and confirm that at no point during the previous seven years has it been purchased with grant funding;
- Evidence the price of the equipment does not exceed the market value cost of similar new equipment (comparable quotes);
- Confirmation of the current condition of the equipment, i.e. that it meets health and safety legislation and its usability for the operation(s) proposed; and it has at least five years useful life remaining from the date of the final payment.

Conflict of Interest

Businesses who are looking to apply for a Covid-19 Recovery Grant need to explain, in the application form, if there is any conflict of interest between the SME and a supplier providing a quote or tender for the project.

Conflict of interest will include being a Director or Shareholder of the Company providing the quote, or if the Supplier is part of the business Group ie. a sister company, or is a family member.

If a business is aware of any other conflict of interest other than outlined above, they need to contact WCC and provide details.