

Warwickshire County Council

Warwickshire Digital Creative Recovery Grant
Programme

Round 2 - Guidance for Applicants

September 2023



1. Introduction

Warwickshire County Council 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.

Continuing with this package of support, Warwickshire County Council are looking to support the growth of ambitious businesses seeking external finance in the Digital Creative sector across Warwickshire. The programme is aimed at businesses that are already looking to raise finance to grow their business but are facing challenges in securing private sector investment or accelerate activities to put them in a position to raise additional finance due to the impact of Covid 19 over the last 3 years.

The Warwickshire Digital Creative Recovery Co-Investment Fund will deliver over £500,000 in grants for Warwickshire businesses to assist in product development or key activities that leads to businesses obtaining further private sector investment to accelerate their growth journey, as part of Warwickshire County Council's overarching Covid-19 recovery and investment programmes to support local economic recovery.

Round 2 will be an open competition launching 1st September 2023, offering match funded grants between £10,000 to £30,000. The fund is open to small and micro sized businesses within the Digital Creative sector, who have been in business for a minimum of 3 years.

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

2. Who can apply?

Micro and small enterprises working in the digital creative sectors can apply. All applicants must be able to confirm that they have been negatively affected by Covid-19 and have clear plans to raise external finance to grow their business and or create more local jobs.

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 and the investment must be based in the local authority area of Warwickshire (with an eligible postcode). Applicants must have a minimum of 3 years trading history to be able to confirm the negative impact by the Covid-19 crisis. Although not an essential requirement, if your project is able to create jobs in the future as a result of this investment we are interested to know the number that can be created by March 2024.

Any business or individual with a legal or personal connection to a business who has had a funding offer withdrawn or terminated with any outstanding repayment balance due to by Warwickshire County or another public sector body or a publicly funded programme is **ineligible** to apply.

3. How much funding is available?

The scheme will provide support for eligible projects requesting between **£10,000 and up to £30,000 of grant**. (The total value of projects can exceed this amount however evidence of match funding being secured must be detailed.)

A total budget of £350,000 has been made available for disbursement in total and by the end of the financial year to 31 March 2024. All Applicants are required to match fund their grants by at least 50%. Applications will therefore need to evidence Match Funding and also detail what activity will be delivered utilising the grant. It is envisaged that a minimum of 15 applications be supported.

Warwickshire County Council reserves the right to increase or decrease the funding available, or to support more or fewer projects depending on the volume and value of applications received. Warwickshire County Council also reserves the right to close the scheme to applications once sufficient applications have been received.

We recognise that with a limited disbursement pot and timeframe Warwickshire County Council is unlikely to be able to fund all project requests. We will continue to update our website with details of all future funding programmes. Warwickshire County Council reserves the right to give prior consideration to all deferred funding decision(s) should additional or new funding become available at any time.

All successful applications will receive a 50% upfront payment of the grant. The final payment will be made no later than the 31st March 2024. The final payment will be in line with the achievement of the key milestones identified within the application. As part of the project monitoring all successful applications will be required to evidence how the grant money has been spent.

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.

Applying is a competitive process, and value for money/ impact will be a key factor when projects are appraised and selected.

4. What activities are eligible?

We are not being prescriptive about what types of activities should be supported; however, we do expect applicants to provide a clear and detailed account of what activity will be funded with an explanation of how this will support the growth of the business with key milestones and timeframes for delivery.

Longer-term there are a number of measures that will be captured to monitor business growth as projects are delivered - timeframes and outputs will be determined with each application based on their business plans.

Success indicators can include:

- Increased Turnover
- Increased No. of Employees
- New Markets entered
- 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 also be reported. Products can be tangible or intangible (including services and processes).
- Further investment raised from services developed through this grant programme

*(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.)

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

5. The Application Process

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

The process for application is by invitation but will begin with an expression of interest.

Expressions of Interest should be logged via email using invest@warwickshire.gov.uk (Please title your email EOI in the subject header) this will then be followed by a short discussion with one of WCC Growth Advisors to confirm whether or not applicants or activities are eligible for the funding. Once eligibility has been established an invitation to complete a full application will be made.

Full Applications must be submitted no later than 06th October 2023 – 17:00. Any applications received after this deadline will not be considered.

Applications may be competitively ranked against each other. The assessment will consider the extent to which a project supports the objectives of the Recovery Co-Investment Fund, value for money and deliverability. 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.

Warwickshire County Council - Digital Creative Recovery Co-Investment Programme – Guidance for Applicants –
January 2023

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).

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.

Applications will be appraised by an expert panel made up of Local Authority representatives.

All successful applicants will be required to work with WCC to provide a case study at the end of the project to showcase the impact of their project.

All applicants must confirm and demonstrate the negative affect of Covid-19 on the business and must provide a detailed business plan of how the investment will be used including detailed milestones. The application will require the submission of the mandatory (unless they are non-applicable) following support documents:

- 3 years of full Accounts
- Copy of the latest Business Plan including clear and measurable milestones against the proposed investment
- Cash-flow forecast for the period of the proposed investment. This should also clearly demonstrate how you will fund the project.
- Investment pitch deck (if applicable)
- Quotes (if applicable)
- Copy of hire purchasing agreement (if applicable)
- Name and CV of third-party Consultant or Agent (if applicable)
- Landlord Consent (if applicable)
- Planning Consent (if applicable)
- Confirmation of the FTE within the business including those safeguarded as part of this grant

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 claimed for as part of the project need to be openly and fairly procured.

If you are securing services from any 3rd party supplier, you are required to provide written quotes, references to catalogue listings or formal tenders as part of the 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 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 £10,000	Three written quotes or references to catalogue listings.
£10,001 and above	Three written quotes or formal tenders.

Supplementary guidance on the requirements expected from quotes and ensuring value for money is included on **Appendix B**.

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 which should be clearly outlined in the application. 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.

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 all terms and conditions including any project specific conditions.

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

As per our Claiming and Reporting Notes, all invoices must be paid by a monetary transaction **BUT NOT CASH** – transactions for goods or services settled in cash will not be eligible for grant support.

The County Council must always be notified immediately of any changes to a project. Any failure to do so, could result in a review of the grant offer. This might involve changes to the timing or the financing of a project. All changes must be agreed in writing by the County Council.

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
Communities Group
Shire Hall
Warwick
CV34 4RL

Tel. 01926 418001 or 01926 476851

All enquiries should be marked FAO: Digital Creative Recovery Co-Investment Programme and be emailed to invest@warwickshire.gov.uk

Appendix A

Ineligible costs

The following costs cannot be claimed:

- Expenditure incurred before the start date in the grant offer letter;
- The costs of getting any permissions or consents;
- Working capital;
- Business as usual activities including salaries of existing staff and general marketing activities;
- 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 European Community (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

Warwickshire Digital Creative Recovery Co-Investment Programme – Supplementary Guidance on Quotes

Quotes

If you are securing services from any 3rd party supplier, 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). 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. You are advised to discuss your process with WCC before proceeding. If your business has a Procurement Policy, please provide a copy with your application.

Conflict of Interest

Businesses who are looking to apply for this grant need to explain, in the application form, if there is any conflict of interest between the small and medium enterprise (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 is 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 speak to Warwickshire County Council to discuss further.