

Kickstart Grant Competition

Guidance for Kickstart Grant SME applicants

1. Introduction

Kickstart Grants are available to small and medium sized enterprises (SMEs) that have been affected by COVID. This guidance is for SMEs applying for Kickstart Grants only.

The grants are available to any existing small to medium-sized enterprise (SME) which can demonstrate an economic benefit within Oxfordshire, as long as the applicant fulfils the necessary criteria and conditions that appear later in this document. The aim of the fund is to provide SMEs with 100% funded revenue grants to enable them to secure specialist external advice related to COVID-19 impacts.

Grants are funded through additional European Regional Development Fund (ERDF) money that has been made available to the existing eScalate program and will be allocated via a competitive grant application process, opening on 1st October 2020. **All grant claims and evidence of defrayal must have been submitted to OxLEP by 29th January 2021.**

Please note that this is a competitive grant competition. Submission of an application does not guarantee any funding will be awarded.

Given the value of the grant programme allocated to Oxfordshire by the Government, it is expected to support around 68 - 120 local businesses, depending on the grant sizes requested by businesses who meet the eligibility criteria.

Applications will be processed in the order they have been received. To manage the expected demand, the Growth Hub will close the application process when the first 250 applications have been submitted through the online form. The Growth Hub will appraise these applications in line with the process set out in these Kickstart Guidance Notes and we aim to complete this and notify applicants accordingly by 30th October 2020.

Please note that we will be unable to provide feedback to unsuccessful applicants due the high volume of submissions this grant scheme will generate.

We strongly suggest that you read the Kickstart Guidance Notes and accompany FAQs carefully and complete the application form as fully as possible. Incomplete forms will not be considered.

Key timings for application process

Activity	Date
The Kickstart Grant Guidance Notes, FAQ's and webinar will be released on the OxLEP Business website	18th September 2020
Potential applicants may email questions to business@oxfordshirelep.com Please ensure you read the Kickstart Guidance Notes and FAQs, and watch the webinar first to check if your question has already been covered	18 th Sept – 25 th September 2020
Application portal goes live on OxLEP Business website*	1 st October 2020 10:00 – 17:00 (or when 250 applications have been received - whichever comes first)
Inform applicants of outcome	30 th October 2020
Grant acceptance – signed and returned	Within 14 days of Grant Offer Letter – funding will be reallocated if not received
Submission of claims and evidence of spend and defrayal	Within two months of individual Grant Offer Letter being signed or the 29th January 2021 whichever is earliest

**We cannot guarantee that the online application process will be compatible with a mobile phone, so we suggest that you arrange to have access to a laptop or computer on 1st October.*

2. What's available

Most Kickstart grants awarded will be in the range of £1,000 - £3,000 although grants of up to £5,000 will be considered in exceptional circumstances at the discretion of OxLEP Business. Where exceptional circumstances are claimed, but the grant assessors do not accept that these warrant acceptable circumstances, OxLEP will reject the application. Where a grant of more than £5,000 is requested, the application will be rejected.

This is a 100% grant scheme funded by Government through the European Regional Development Fund and there is no requirement for businesses to contribute financially.

Grants fall into two categories: (i) Visitor Economy and (ii) Wider Economy. You will be asked to state in your application form which category you fall into and to supply the appropriate SIC code for your business.

For the avoidance of doubt, we will not allow one single SME to receive both a Visitor Economy and a Wider Economy grant under this scheme.

Applications may be viewed more favourably if they offer the following outcomes:

- Introduction of products new to the firm or new to the market
- Employment increase or safeguarding in the applicant enterprise
- Enterprises safeguarded

Applicants should only offer these outcomes where they are **possible and realistic**.

Grant projects will be paid in arrears, so applicants must be confident that they can cash flow their project pending reimbursement. We will only accept one claim from grant projects. There is no set duration for Kickstart grant projects. However, we anticipate that most projects will be complete within six weeks of the grant award and all activity, expenditure should be achieved, reported and evidenced by 29th January 2021. **Please note: if you submit your grant claim after 29th January 2021, we will not be able to pay it.**

All Kickstart grants are awarded on the basis of *De Minimis* State Aid and are subject to your *De Minimis* limit not being exceeded. **If** a company has already received €200,000 of State Aid within a three-year fiscal period, it is ineligible to receive further financial support within that three-year period.

Please note: your total defrayed expenditure **must** match the grant value being claimed and the audit trail, i.e. quotation, invoice and defrayal must evidence this. Applications for grants which contribute towards part of a higher set of total costs will not be accepted. For example, if you request a £3,000 grant towards a single activity that costs £10,000, this will not be approved. Further details can be found on page 7.

3. Eligibility

Please note: SMEs which have already received a grant from eScalate may also receive a Kickstart grant. Having already received an eScalate grant or made an eScalate application will not affect your ability to be awarded a Kickstart grant and brings no advantage or disadvantage.

Eligible projects – Examples of what the grant CAN support:

These grants will typically support:

- 1-2-1 specialist advice which SMEs could use to address their immediate needs in response to the impact of COVID 19 e.g. HR, accountants, legal, financial, H&S, IT / digital or sector specialists, etc. In addition, SMEs from the visitor economy, could also use grant funding to support: productivity improvements, e.g. enhanced use of digital tools such as yield management software, mentoring, networking, etc. and development of innovative delivery in a socially distanced economy – e.g. new ways to deliver cultural events and festivals; and
- purchase of minor equipment to adapt or adopt new technology in order to continue to deliver business activity or diversify in response to COVID-19 (please note that PPE equipment cannot be covered by a Kickstart grant).

Ineligible projects

Examples of what the grant **CANNOT** support:

- working capital;
- funding for the payment of wage subsidies
- purchase of equipment and consumables associated with PPE and social distancing measures;
- activities which would contradict, duplicate or undermine HM Government domestic initiatives;
- VAT payments (other than project costs where VAT cannot be recovered from HMRC or for non-VAT registered businesses);
- Paying off debts or refinancing;
- Purchase of land or buildings or financial investments;
- Repairs to equipment or buildings;
- Preventative and remedial maintenance of assets or equipment;
- Training, including in the use of assets and equipment;
- Purchasing of vehicles;
- The revenue grant cannot support the purchase of any items costing over £4,999;
- Salaries, travel or subsistence;
- Any statutory or legislative obligations, duties or requirements;

- Hire purchases and/or asset finance arrangements;
- Routine expenditure relating to new employees (e.g. office furniture, ICT and training);
- “Like-for-like” replacement of obsolete equipment with little or no added value.

Ineligible sectors

A number of sectors are ineligible for grant support under *De Minimis*. These are:

- Fishery and aquaculture sectors
- Primary production, processing and marketing of agricultural products
- Road Freight
- Services of general economic interest
- Export related activities and activities favouring domestic over imported goods

A number of additional sectors are ineligible for grant support under ERDF.

These are:

- Coal, steel and shipbuilding sectors
- The synthetic fibres sector
- Generalised (school age) education
- Banking and insurance companies
- Retail businesses (ineligible for capital expenditure only)
- Social Care Services & Social Welfare (hospitals, housing associations, sports facilities)
- Child-minding facilities

4. VAT

VAT is potentially an eligible cost for Kickstart grant projects, however this will vary on a case by case basis and OxLEP cannot give VAT advice to applicants.

Your total project costs can include VAT if you are not VAT registered or if you are unable to recover VAT from HMRC; however if you are VAT registered and can recover VAT from HMRC, you will not be able to also recover the VAT through the grant.

We recommend that you seek VAT advice when drafting your application. It is your responsibility to ensure that VAT is correctly treated within your grant project. Incorrect VAT treatment could lead to penalties from HMRC and you having to repay the VAT element of the grant that should not have been claimed.

It is your responsibility to include VAT if you need to claim it. If you do not include eligible VAT at the time of applying, the grant will be awarded based on net costs and VAT cannot be claimed.

5. Procurement

Please read this question carefully

A condition of ERDF is that you are required to demonstrate you are procuring products or services in line with EU Procurement regulations.

Provided you are not a Contracting Authority as defined in the Public Contracts Regulations (2015) you are able to provide direct awards to suppliers for contracts below £25,000. Given the maximum grant value under the COVID Response Grants scheme is £5,000 (in exceptional circumstances), you will be able to directly award contracts to suppliers. You will, of course, be required to justify the selected supplier.

The evidence that you need to provide for all procurement is:

- Copies of any quotations/screenshots.
- Quotations/screenshots must be clearly identifiable to the supplier and include the supplier name, a date, price per item to be purchased/procured, if the amount is inclusive or exclusive of VAT and (where possible) the supplier letterhead/logo.

6. Decision-making process

We aim to inform applicants by 30th October 2021 whether or not their application has been successful. Applicants will be advised as early as possible if there is likely to be a delay.

All applications will be scored by two assessors and our intention is to fund all eligible applications in ranked order of score until the available funding is fully committed. We will ensure that all applications are treated fairly and consistently.

The identity of assessors is kept confidential to avoid the risk of applicants attempting to contact the members to influence their decision. Any applicant found to have attempted to unduly influence an assessor by contacting them to discuss an application will be disqualified from the process. It is crucial to ensure that grants are given in a fair and transparent way and that no applicant has an advantage over any other.

The final grant award decision is based on the average score of the two assessors. This decision is final.

Where applicants have sought a grant of between £3,000 and £5,000 on the basis of exceptional circumstances, the assessors will be required to provide a separate assessment of the exceptional circumstances. Where exceptional circumstances are justified, OxLEP may award a grant of between £3,000 and £5,000; however, where they are not justified OxLEP will reject the application.

If you plan to submit an application for an exceptional grant of between £3,000 and £5,000 please note that we do not expect more than 10% of grants awarded to fall into the exceptional category.

Given the short timescales for the Kickstart grant scheme, we have provided a recorded webinar covering the mechanics of a managing an ERDF grant project, the Grant Offer Letter and making a claim. **Any expenditure incurred before receipt of the formal Grant Offer Letter is deemed to be ineligible expenditure for grant assistance.**

The Kickstart grants have limited availability and applications will be assessed using the following criteria:

Eligibility criteria:

- Eligible to receive ERDF grant as an SME?
- Compliant with De Minimis rules?
- Compliant with procurement rules?
- Proposing a revenue project related to respond to an impact of COVID-19?

7. Scoring criteria:

Assessment criteria
Quality of application – is the business idea clear and well-structured? Does the application give enough detail to understand the proposed grant project?
COVID impact – what impact has COVID-19 had on the business?
Grant impact – to what extent will the grant help to mitigate the impact of COVID on the business?
Sustainability – to what extent will the grant help to safeguard the business?
Potential impact achievement – to what extent does the proposed project deliver any new jobs or jobs safeguarded? To what extent does the proposed project deliver any new products to the firm or to the market?
For exception grant requests of over £3,000 only – does the application represent an exceptional case?

8. Nature of grant offer

The grant cannot contribute to projects that are already underway. Any grant offer will be invalid if work commences prior to the date of the Kickstart grant offer letter and retrospective grant applications are not permitted.

An offer of a Kickstart grant is time limited and will expire 14 days after the date the Grant Offer Letter is issued. It is your responsibility to ensure that the Grant Offer Letter is signed and returned to the Kickstart team within the deadline.

If you are able to do so please sign and scan your Grant Offer Letter for email, however if you do not have access to a scanner, an e-signature or typed signature is acceptable with a statement confirming your authority to sign on the company's behalf.

Signed letters must be received by email within 14 days of the Grant Offer Letter issue date.

9. Making your grant claim

Any grant that is approved is only for the purpose stated in the grant offer letter.

Should the circumstances on which a grant application was based change, you must contact the Kickstart team to discuss before committing to making any payments. This may include, but is not limited to, a change of expected completion date, change of supplier, change to the project value, expected project outcomes, or cancellation of the project. If you are in any doubt, please contact the Kickstart team to discuss.

Grants should be claimed in line with the dates set out in Section C within your application form and only a single grant claim is allowed. Please contact the Kickstart team at the earliest opportunity if your project is delayed and you are unlikely to claim within the timescale of the grant offer. Any extensions to grant claims will need to be agreed by the Kickstart team and it must not be assumed that funds will be available if the deadline is missed. In any case grant claims cannot be accepted after 29th January 2021 in line with our funding requirements.

For all expenditure on your project you will need to meet the ERDF audit trail requirements including evidence of defrayal (monies leaving your bank account).

Please note that staff costs cannot be included in your application.

- For other expenditure:
 - Invoices/receipts
 - Evidence of defrayal of expenditure

To claim the grant, you must provide the Kickstart team with a signed Claim Form (which we will provide with your Grant Offer Letter), along with evidence of defrayal of the costs. This would include a copy of any supplier invoice(s) and proof of payment, namely a redacted business bank statement showing the relevant payment(s). If a credit card has been used, the minimum payment paid, must be at least the value of the item being claimed and we need to see evidence of this via bank statement etc. Payment of supplier invoices cannot be made by cash or contra arrangements.

All bank statements and payment evidence will need to be signed, dated and labelled with the statement:

'All documents are true copies of originals.'

If you are unable to sign and scan your certified documents, electronic copies are acceptable in the current circumstances (COVID-19) together with a statement confirming your authority to certify documents on the company's behalf.

SMEs must retain a certified copy of the original invoice for the procured services and goods. Certification occurs when the SME stamp the invoice with the above statement and sign. This evidence will be required for future possible audit purpose.

If you cannot provide this evidence, we will not be able to process your grant claim.

Funding **cannot be** awarded as retrospective payment for goods or services procured **before** a formal offer of grant has been received and accepted.

You should submit your grant claim to the Kickstart team as soon as possible for review and payment, subject to compliance checks.

Your grant claim is time limited and must be submitted within two months of signing the Grant Offer Letter or by 29th January 2021, whichever comes first. Any extension to the grant claim date must be agreed with the Kickstart team in advance. Although the Kickstart team will endeavour to follow up a grant claim which has not been submitted, it is your responsibility to ensure that the grant claim is returned to the Kickstart team within the deadline.

10. Impact Deliverables

In Section C: Costs and Deliverables of the grant application form, you will need to provide details of any Impact Deliverables (i.e. new products to the firm or market, or employment increase or safeguarding) to be achieved. Once you have claimed your grant, we will provide you with 'Form eScalate-04B Impact Declaration' which you must use to confirm the details of the impacts achieved. A member of the Kickstart team will follow up with you if you have indicated that you will be able to achieve an impact deliverable from the support of the grant.

As you will see from the scoring criteria in section 7 above, applications which offer impact deliverables will score more highly than those which do not. However, you must ensure that any deliverables promised are realistic as these are commitments not aspirations and we reserve the right to claim the grant funding back from you if you do not achieve the impact deliverables.

If you experience difficulties in creating the impact deliverables as outlined in the Grant Offer Letter, please contact us at your earliest convenience so that we can understand and discuss the options in relation to the grant payment. Please note that we reserve the right to claim the grant funding back from you if you do not achieve the impact deliverables.

New to firm products

A new to the firm product that you develop, as a result of your support from Kickstart, and introduce to your business.

The indicator measures if an enterprise is supported to develop a “new to the firm” product, including:

- Product - when it is either at pre-launch or launched to the market
- Process - when it has been introduced into the business
- Service - when it has been introduced to the business

Multiple products can be reported as a result of one grant if you introduce several products. If you are in any doubt, please contact a member of the Kickstart team.

A product is new to the firm if you 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).

Please note that you will be asked to provide a self-declaration to confirm the product/process or service is new. Evidence might include the date a new or improved process became operational or the date the new product or service was launched from market information or marketing literature. If product has not

progressed to market, the enterprise should provide information on the status of the product.

New to firm products

A new to the market product that you develop, as a result of your support from Kickstart, and introduce to your business.

The requirements are almost identical to those for a new to firm product, however the product must have been launched into the market or be launching imminently.

Employment Increase

A new full time equivalent (FTE) job that you create as a result of your support from Kickstart.

The job(s):

- must have been created as a result of the activity supported by the grant
- cannot have been in place before the grant was awarded
- should have an intended life expectancy of at least 12 months and be for at least 36 hours per week

Please note that you will be asked to provide a copy of the contract of employment demonstrating these criteria for audit purposes.

You will also need to provide basic information about the gender, age, disability status and ethnicity of the job holder on the 'Form eScalate-04B Impact Declaration. This information will be treated in strict confidence.

Jobs Safeguarded

A Kickstart grant also allows you to report existing jobs in your business that have been safeguarded as a result of the support from Kickstart.

These jobs should have been in place before the grant was awarded and may or may not have been furloughed.

You will also need to provide basic information about the gender, age, disability status and ethnicity of the job holder on the 'Form eScalate-04B Impact Declaration. This information will be treated in strict confidence.

Asset Register

If you purchase any item costing more than £1,000, your purchase(s) will be entered onto a Project Asset Register that is held by OxLEP. We may visit your premises to verify the purchase(s) and record identification details.

Please be aware that if you dispose of the item(s) within 3 years of purchase, OxLEP reserves the right to reclaim a proportion of the grant.

The detailed information that will be recorded on the Project Asset Register is:

- Asset name and description;
- Serial or identification number;
- Location of the asset (including grid reference);
- Purchase price (£) (net recoverable VAT);
- Date of acquisition;
- Approved Use of Asset;
- Legal Registered Owner of Asset;
- Location of the ownership record(s);
- Method of Depreciation;
- Date of Depreciation.

11. Further Information

Applications must be made on the official Kickstart grant application form – the same application form is used for both Visitor Economy and Wider Business types.

In line with EU State Aid regulations, you must sign a De Minimis State Aid Declaration covering the last 3 years. This will need to include all previous aid received from all sources. If in doubt, please talk to an appropriate member of your organisation to check the De Minimis State Aid your company has received to date before submitting your application form. This may take the form of other grants or business support received in the past.

You must inform us if you receive other public funding towards your project as this will have an impact on the level of grant funding that we can offer.

OxLEP reserves the right to visit you to ensure the grant has been used for the purpose it was intended as stated in the application form and to inspect records to show costs have been incurred by you.

Your grant activity may also be subject to auditors from the Ministry of Housing, Communities and Local Government, ERDF and the European Court of Auditors.

12. Notes to assist with completing the Grant Application Form

All applications must be completed electronically via the online application form at www.oxlepbusiness.co.uk on 1st October 2020.

To reiterate, only the first 250 applications will be processed, and incomplete application forms will be rejected.

Please refer to the FAQs for Kickstart grants for more details prior to submitting your application.

Section 1

Key Business Information: Please provide basic information about you and your company including registered address, Companies House registration number, date of incorporation, VAT Number, SIC, brief overview of business, other funding applied for and outcome, Full Time Equivalent employees.

Section 2

Financials including previous Financial Year turnover, net asset total on balance sheet, and supporting evidence e.g. latest company accounts, P&L, balance sheets.

De Minimis State Aid declaration

An overview of the impacts of the pandemic on your business and details of your business income over the past 14 months (per month) so that we can gain an insight into the financial impact of the pandemic.

Upload any evidence such as Management Accounts or Finance Software reports.

New starts should provide a forecast for the first year of trading in place of accounts.

Section 3

Grant amount and purpose of grant (Specialist advice / Adoption of new technologies or online systems / Purchase of new equipment).

Outline any jobs created or safeguarded, and any products new to market or new to firm that may be enabled via a Kickstart grant.

Section 4

Outline why you need the grant and how this will help the business, especially in relation to the COVID-19 impacts.

Projected start and end dates of projects activities.

Details of any quotes received (three quotes are not necessary for the level of funding available, but we strongly advise you do your research in advance of applying as we cannot retrospectively increase the award).

Grant funding requested – please note that we cannot part-fund a project so if you anticipate a total project cost of £3,500 and apply for £3,000, we will be unable to consider your application.

Summary of funding request

Summary of grant required

Background of Applicant (optional)

Sharing Consent and Data Processing agreement

Declarations

13. Submission

Complete all information required via the online form and attach any supplementary information. Ensure you have answered all questions as fully as possible as incomplete submissions will be rejected.

You will be expected to:

- Provide all evidence required to process and verify the grant application
- Provide all evidence as set out on the Form eScalate-04B Impact Declaration, which will ask details of jobs created and outcomes as a result of the funding
- Co-operate, if requested, to promote and publicise success stories in the form of press releases, case studies, Freedom of Information Act requests or other communications unless there are clear reasons not to (for example, confidentiality around commercial issues, intellectual property or patents etc.)
- Participate in any evaluation activities by the Kickstart Grant Team, the funding body and the external evaluator

14. Contact Us

Please ensure that you read these Guidance Notes plus the supporting FAQs in full, and watch the accompanying webinar, prior to submitting a query.

Additional questions may be submitted to the Kickstart team via email at business@oxfordshirelep.com by **25th September 2020**.

Please do not include any confidential information in your questions as the FAQs will be updated regularly online at www.oxlepbusiness.co.uk.