



# **Warwickshire County Council Covid-19 Recovery and Investment Grants**

## **Retail and Hospitality Grant**

### **Guidance for Applicants**

August 2020



# 1. Introduction

Warwickshire County Council is establishing a small number of Covid-19 recovery and investment programmes as part of an initial £5 million package of funding approved by Council to support the immediate economic recovery in the county.

The first scheme is for small retail and hospitality businesses negatively impacted by the Covid-19 crisis but with clear plans to sustain and grow their business. This document provides more information about the grant scheme and 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 £1.8 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 £8.9 million). Again, relationships with other enterprises are also taken into account.

Applicants must be in the retail & hospitality sector and be based in the county of Warwickshire (with an eligible Warwickshire postcode). Applicants must also have a minimum of one year trading history in order to be able to demonstrate that they 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. Priority will be given to retail and hospitality businesses most affected by the Covid-19 pandemic and lockdown. Priority will also be given to micro enterprises.

## 3. How much funding is available?

The scheme will provide support for eligible projects requesting between **£2,000 and up to £7,500 of grant**.

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 safeguarding of jobs is the priority as well as business development and diversification.

Up to £250,000 is available during 2020/2021. 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 and to allow a second round of funding to be held later in the year.

## 4. What activities are eligible?

The scheme can only support **capital costs**. It is designed to help micro and small businesses in the retail and hospitality sectors fund capital investment projects which sustain their business, safeguard jobs and support its future growth. Grants are only available towards the costs of tangible capital assets including:

- Creating an online presence, including for online sales/click and collect.
- 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.
- The refurbishment, refit of property, for the purposes of increasing footfall and improvement of visitor experience. Including Architect, engineer or consultant fees for the project (up to 15% of the project's total costs);
- The purchase of minor equipment, including: furniture, such as display cabinets, tables and chairs for customer seating and shelving, for example.

Grants are not available towards the costs of buying land or property. The speculative conversion of buildings into business premises also will NOT be supported.

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

## 5. Previous Grant Recipients

Businesses who have already received a grant from Warwickshire County Council or another public sector funded programme (the ERDF Investment Fund, EAFRD Growth Programme, etc.) or any of the Government's Coronavirus support grants can still apply. However, such applicants will need to provide additional evidence in their application for why they need a grant from the public sector.

## 6. The Application Process

The application process is competitive and applications from those businesses most in need of grant support that are able to demonstrate how their business can develop and diversify via their project plans are more likely to be supported.

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

As part of your application, you will need to demonstrate the need for your project. You will also need to explain how the project will enable significant change in your business allowing you to safeguard jobs of existing employees.

Applications will be competitively ranked against each other. The assessment will consider the extent to which a project supports the objectives of the grant fund, the need for a grant from the public sector, the number of jobs to be safeguarded/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 three like-for-like quotations (or estimates) for all project costs (where relevant).

## 7. 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 £180,540.00).

Therefore, 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 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.

## 8. 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/estimates or references to catalogue listings.
£501 up to £10,000	Three written quotes/estimates or references to catalogue listings.

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

Projects involving goods and services above the EU threshold (currently £180,540.00) 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.

## 9. 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.

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

## 10. Output Definitions

All projects will be assessed on the jobs they are safeguarding, growth of the business and potential to take on additional staff. 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 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 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.

**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.

## 11. 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.**

**The County Council 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 the County Council.**

## 12. 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.

# 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;
- Projects which are required by law or to meet a legal requirement e.g. Disability access improvements;
- 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;**
- The costs of getting any permissions or consents;
- Working capital;
- Business as usual activities including salaries and marketing;
- Mobile infrastructure such as vehicles, 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.

# Appendix B

## WCC Capital Growth Fund – 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. 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 Retail and Hospitality 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 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 contact WCC and provide details.