Guidance for Applicants
1. Introduction

The Worcestershire Growth Fund is a capital grant scheme designed to enable businesses to realise their potential to expand through increased employment and productivity.

Funded by the Worcestershire Local Enterprise Partnership, through the Worcestershire Growth Deal, the programme is expected to run until March 2018, subject to availability.

This document provides the Terms and conditions of applying for Grant Funding.

2. Eligibility

If you are a Worcestershire based business or is thinking of moving to Worcestershire you may be eligible to apply for the Worcestershire Growth Fund.

We are particularly keen to support growth within our key sectors of Advanced Manufacturing, Agri-tech and Cyber Security and Defence but will also consider applications from other sectors where increased productivity and employment growth can be demonstrated.

Successful applications will:

• Generate new, sustainable jobs based in Worcestershire

• Result in increased business productivity

• Provide match funding of at least 50%

• Comply with State Aid Regulations

The types of activity that are most likely to be supported include undertaking a physical expansion; and/or purchasing capital equipment.

3. How much funding is available?

Grants of up to £100,000 are available although higher levels of support may be considered in exceptional circumstances. Grant requests of less than £20,000 are unlikely to be considered although we would still encourage you to discuss your ideas with Worcestershire.Business.Central. at 01905 677888 or info@business-central.co.uk.

Grant support up to a maximum of 50% of the total eligible costs is available.

Types of match funding (from private sector sources):
Cash reserve
Bank Loan
Equity Loan
Match funding must be available before a grant can be approved.

Applications will need to demonstrate their need for the requested grant amount and how it complies with European Union State Aid.

Applications will be scored favourable to projects with higher ratio of outputs to grant request.

Worcestershire Growth Fund project outputs:
1. Result in increased business productivity
2. Generate new, sustainable jobs based in Worcestershire

4. What activities are eligible?

The scheme can support capital costs only.

The types of activity that are most likely to be supported include undertaking a physical expansion; and/or purchasing capital equipment.

There is a list of ineligible expenditure in Appendix A.

5. The Application Process

How to Apply

Potential applicants are strongly encouraged to speak to Steve Brain, Project Manager for the Worcestershire Growth Fund on 01905 845009 or sbrain@worcestershire.gov.uk prior to developing an application. Alternatively, please contact Worcestershire Business Central on 01905 677888 or info@business-central.co.uk.

Round 4 is now open for applications. This round will focus on:

- WLEP key sectors of - We are particularly keen to support growth within our key sectors of Advanced Manufacturing, Agri-tech and Cyber Security and Defence.
- Projects that can be implemented before January 2018
- Applicants that have not previously applied to the Worcestershire Growth Fund.

Please note: Previous successful applicants can apply as long the project is a different project and they do not exceed the £100,000 limit for each company supported.
6. Full Application

Applicants should submit a detailed project proposal and plan using the full application form.

All projects will be appraised and audited as follows:

- **Technical Pre-appraisal** – the Project Manager along with colleagues will undertake the technical appraisal of the project, and will broadly check the eligibility of the proposal and its constituent parts.
- **Detailed Appraisal** - An independent detailed appraisal will be undertaken by representatives of the Worcestershire Local Enterprise Partnership (LEP) and Worcestershire County Council, which will be reported to the Worcestershire LEP Business Growth Group (the Investment Board) for a funding decision.
- **Due Diligence** - For grant awards of £50,000 or more Due Diligence must be undertaken by an independent auditor at the cost of the applicant

**Due Diligence**

*Please note that successful projects will need to go through Due Diligence review.*

- **The definition of Due Diligence is ‘an investigation or audit of a potential investment’**.
- **This will involve an audit of the specific project and the general finances of the business.**
- **For grant awards of £50,000 or more Due Diligence must be undertaken by an independent auditor at the cost of the applicant.**

*Projects will not receive formal approval for funding until a suitable and sufficient amount of due diligence has been undertaken.*
7. OPERATION OF THE PROGRAMME

7.1 Funding will only be provided to successful applicants (grant beneficiaries) when they have met the terms and conditions of their project investment offer letter, and an audited statement has been received by the Project Manager. Where beneficiaries partially meet the terms and conditions of the offer letter there is the ability to partially meet the payment of claims on a proportionate basis, so long as state aid limits are not exceeded and the job output requirements remain proportionate. At this point funds will be released to the beneficiary.

7.2 The employment posts created as a result of the project funding will be required to be maintained and continuously filled for a minimum of 3 years after the initial contract of employment. Beneficiaries are required to provide a written quarterly report on progress to Worcestershire County Council until the end date of the project that is typically 3 years after the last instalment has been paid or job has been created (whichever is the greater). This will detail 'as a minimum' the project expenditure, employment and a summary of project delivery progress against the original project approval and business plan.

8. NOTIFICATION AND POST NOTIFICATION PROCESS

8.1 NOTIFICATION
Following completion of the assessment of the applications, the Applicant will be informed of the outcome in writing by Worcestershire County Council.

8.2 FUNDING OFFER LETTER
Successful applicants will receive a funding offer letter from Worcestershire County Council, which will set out the terms and conditions that apply to the grant and any conditions that have to be met before any payments can be made. The offer letter will usually include: A requirement for an up to date project delivery plan which demonstrates the applicant's ability to achieve the milestones and publicity requirements which will be set out in the offer letter. The allocation of funding will not be finalised until all documents are received and deemed satisfactory.

If the Applicant does not respond by the deadlines stated in the funding offer letter, the offer will be withdrawn and funding will not be provided.

8.3 MONITORING AND CLAIMS
A monitoring officer will be appointed by Worcestershire County Council to liaise with each successful applicant on a regular basis, and the project may be inspected or additional information requested at any time during this.
Claims for instalments of grants can be made by submitting a grant claim together with a monitoring report (grant claim pro-formas will be available after funding approval for the project has been issued).

All grants are claimable quarterly in arrears and will only be paid once the necessary reporting and audits have been completed. All claims must be signed off by the company’s Finance Director and subject to the submission of an annual independent accountant’s report.

Claims are paid directly to the applicant, and it is important that you plan your cash flow requirements to ensure you can accommodate the funding required for the project.

All funding is non-retrospective prior to formal approval date. Successful applicants will be required to produce quarterly claims (where required) and monitoring returns as part of the funding agreement. All outputs and wider outcomes will be monitored and must be reported against programme criteria. Applicants will be subject to visits to site with regular review and monitoring against plans submitted as part of the application.

Monitoring of projects will be undertaken by the Worcestershire County Council Project Management Team, and will involve monitoring and evaluation site visits, submission of quarterly progress reports, evidence of expenditure and jobs created.

9. State Aid

All applications supported must also be compliant with State Aid legislation:
If you are not familiar with state aid rules you might find it helpful to look at the “handbook” produced by the European Commission for a summary of the Regulations. Please note that this is only a simplified version of the legal texts. The Regulations give more details about geographical coverage, sectoral restrictions, funding limits and eligibility in terms of type and size of organisations as well as costs. Aid will be limited to:
- regional investment aid (only available in “assisted areas”);
- SME investment aid (available in all areas);
- EU State Aid de minimus regulations

For specific details, including aid intensity, the incentive effect and eligible costs, you must refer to the relevant part of the Regulations. Applicants must be able to justify and evidence the levels of funding sought and the breakdown of support across consortium partners where applicable. If there is a breach of State Aid limits, the Commission would normally require the project participants to repay any grant received, including interest. You may wish to seek independent legal advice.
Further guidance is available on the Department of Business Innovation and Skills (BIS) website:
10. Procurement

In order to demonstrate best value for money all items procured and supported through Grant Funding will need to be openly and fairly procured.

Projects will need to comply with UK procurement regulations. The following table provides general guidelines with reference to the value of individual items:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Procurement Method</th>
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<tbody>
<tr>
<td>£500 or below</td>
<td>Two written quotes or a reference to a catalogue listing to show the costs are reasonable.</td>
</tr>
<tr>
<td>£501 up to total</td>
<td>Three written quotes or a reference to a catalogue listing to show the costs are reasonable.</td>
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<tr>
<td>maximum grant</td>
<td></td>
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11. Publicity

You need to be aware that if your application is successful, we will ask you to follow rules on acknowledging the source of funding in any publicity material you produce or press releases you issue during your contract period.

Advice on these rules will be available as we work with you to develop your project and at any contracting stage.

12. Permissions and Consents

If your project requires any permissions or consents, (e.g. planning permission or landlord consent), you will need to obtain all such relevant permissions or consents prior to the submission of your application. Expressions of interest will be considered from projects that are in the process of obtaining their permissions or consents.

As with all statutory requirements, costs relating to planning permission are not eligible for funding.

13. Output Definitions

This section provides guidance on the definition of outputs. These definitions should be used to help determine the number of outputs your project will deliver. Please note that, should your project be approved, the outputs you identify in your application will be included in your grant agreement. Detailed evidence requirements for each output are available and the realism of your outputs will be tested through appraisal.
Outputs

Please indicate the outputs your project will deliver during the project life cycle (outputs post March 2018 will not be considered).

Applications will be scored favourable to projects with higher ratio of outputs to grant request.

1. Result in increased business productivity
2. Generate new, sustainable jobs based in Worcestershire

<table>
<thead>
<tr>
<th>Output</th>
<th>Target figure</th>
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<tbody>
<tr>
<td>Year/ Time Period</td>
<td>15/16</td>
</tr>
<tr>
<td>Jobs created</td>
<td></td>
</tr>
<tr>
<td>Increase in business productivity</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
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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 with the employer before.

Full time equivalent: Paid work of 35 hours or more per week. Part-time jobs should be treated on a pro-rata basis.

Jobs created are to be reported on the basis of gender, age, disability and ethnicity, as below.

Gender: Male / Female / Prefer not to say


14. Grant Offer

Successful projects will be invited to enter into a grant agreement with Worcestershire County Council.

Appendix A: Ineligible Expenditure

For the avoidance of doubt the following items are not eligible for funding:

- Expenditure incurred before the date of the Grant Offer Letter unless agreed by Worcestershire County Council;
- 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;
- Payments for activity of a political nature;
- Depreciation, amortisation and impairment of assets purchased with the help of the Grant;
- Provisions;
- Contingencies;
- Profit made by the claimant;
- Dividends;
- 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;
- Costs involved in winding up a company;
- Payments for unfair dismissal;
- Payments into private pension schemes;
- Payments for un-funded pensions;
- Compensation for loss of office;
- Bad debts arising from loans to employees, proprietors, partners, directors, guarantors, shareholders or a person connected with any of these;
- Payments for gifts and donations;
- Entertainments;
- Reclaimable VAT;
- Statutory fines and penalties;
- Criminal fines and damages;
- Legal expenses in respect of litigation;
- Expenditure on activities of a political or exclusively religious nature;
- 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;
- Expenditure on works or activities which any person has a statutory duty to undertake, except where there is strong justification in terms of the regeneration outputs or impacts that will result, e.g. in the case of beneficial activity brought forward, or carried out in a way which best promotes sustainable regeneration as a result of grant support;
- Any liability arising out of negligence;
- Payments made in advance of need;
- Any cost relating to insurance policies.

This list is not exhaustive.

Should you have any further questions regarding the Worcestershire Growth Fund please speak to Steve Brain, Project Manager for the Worcestershire Growth Fund on 01905 845009 or sbrain@worcestershire.gov.uk