

SMALL BUSINESS ADAPTATION GRANT GUIDANCE

First Call for Applications: 1 of October 2023

Deadline for Applications : 31 of January 2025

1. Introduction

The **Small Business Adaptation Grant** is one of the business grants available under the Derbyshire Dales Rural Innovation Grant scheme. The scheme aims to assist business diversification, growth, adaptation and long term resilience.

The Small Business Adaption Grant is open to applications from micro and small sized businesses with a trading address in the Derbyshire Dales, including farms diversifying into non-agricultural activities, independent retailers, and visitor economy businesses.

To be considered for grant support, potential applicants are required to complete a registration form/expression of interest to check the eligibility of their business and project. We advise applicants to read the Registration Form Guidance prior to completion. **Please note: completion of the registration form is not an application for funding.**

This grant scheme is funded by the UK Government through the UK Shared Prosperity Fund (UKSPF). The UK Shared Prosperity Fund is a central pillar of the UK Government's Levelling Up agenda and provides £2.6 billion of funding for local investment by March 2025. The Fund aims to improve pride in place and increase life chances across the UK investing in communities and place, supporting local business and people and skills. For more information, visit <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

2. Objectives

The objectives of the grant scheme are to:

- stimulate enterprise and innovation.
- enable micro and small enterprises to access new markets.
- enhance business productivity.
- enhance business resilience.
- enable the creation of higher skilled/higher paid roles.
- encourage green business growth and use of low carbon technologies and techniques.

- develop the visitor offer, enhancing the quality, value, growth potential and resilience of the visitor economy.

Applications will be scored and assessed on how well they fit with the objectives of the scheme.

3. Core Eligibility Criteria

Qualifying micro and small businesses – including any economic entity with which the business is linked, whether as a subsidiary of that entity or forming part of a group of linked companies– are eligible to apply.

To qualify as a micro business, a business must satisfy two or more of the following requirements in a year:

- Turnover: not more than £632,000
- Balance sheet total: not more than £316,000
- Number of employees: a headcount of staff of not more than 10

To qualify as a small business, a business must satisfy two or more of the following requirements in a year:

- Turnover: not more than £10.2 million
- Balance sheet total: not more than £5.1 million
- Number of employees: a headcount of staff of less than 50

All applicant businesses must:

- have a trading address within the Derbyshire Dales
- be able to evidence trading for a minimum of 12 months at the time of application.
- fall into one of the following categories: registered as a limited company, a sole trader, a partnership or a limited liability partnership. Businesses must be registered either on Companies House or with HMRC and have a Unique Tax Reference Number
- be able to demonstrate it has sufficient financial resources available to cash flow the project upfront and provide the match funding required.

4. Required Outcomes

Applicants should demonstrate that grant investment will contribute to the following outcomes (applicants will be required to quantify proposed outcomes within their application):

- increased business turnover
- improved business productivity

- businesses adopting new to the firm technologies or processes
- energy consumption reduced
NB. This can be calculated using the [Carbon Trust calculator](#) which uses the [BEIS conversion factors](#) which are required to be used under UKSPF.
- existing jobs safeguarded
- improved use of digital technology
- new jobs created.

Applications will be scored and assessed on the number and quality of proposed outcomes and if the proposed outcomes offer value for money for the amount of grant requested. Outcomes should be specific, measurable, achievable, realistic, and time-specific (SMART) with a baseline and explanation provided to explain the basis of outcome. As an *example*:

% increase in business turnover:

21% forecast increase in turnover from baseline £24,770 in 2022/23 to £30,000 by 31 March 2025

Approved outcomes will be included and monitored as a condition of any grant award.

5. Exclusions

The following exclusions apply:

- Businesses which are dormant, in administration, insolvent or subject to a striking off notice.
- Businesses that have already received public aid equal to the maximum permitted level of subsidy under the Minimum Financial Assistance (MFA) subsidy allowance (see section 12).
- Post office sorting offices, take-away only businesses, landlords and property developers, primary agricultural activities, educational establishments, GP practices, market stallholders and mobile catering outlets without fixed building costs and not paying a regular rent, B&Bs not registered as a food business with Environmental Health, insurance agents, financial advisors and other financial services including banks, building societies, bureaux de change and loan providers, vacant premises and car parks (list not exhaustive).
- Businesses which are part of national chains or franchises
- Sole Trader/Partnerships where the income from the business does not represent the individual(s) primary source of income (i.e represents less than 50% of their total income – including employment, pensions and all other income)

- Businesses that have received grant funding via The Farming in Protected Landscapes Programme or The Farming Investment Fund
- Organisations whose activities are contrary to the vision and values of the District Council

6. Eligible Costs and Grant Amounts

Eligible expenditure includes the following costs where it can be demonstrated that the proposed investment will directly support the objectives of the grant scheme

Proposed expenditure needs to be new to the business and not ongoing costs:

- new equipment or technology required to adapt/develop/diversify the business inc. new to the firm technologies or processes, more efficient production processes and expenditure to enhance energy efficiency and reduce the carbon footprint of the business
- digital adoption inc. investment in e-commerce and on-line booking systems
- buying in specialist consultancy services to adapt / develop / diversify the business*
- buying-in bespoke training necessary to upskill the workforce and address skills shortages inc. training for business owners, employers, managers or employees*

**either unavailable through other externally funded provision or cannot be obtained in a geographically close location.*

Total project cost	Maximum Grant
£2,500 - £10,000 ex reclaimable VAT	Up to 80% of total <u>eligible</u> cost i.e. £2,000 - £8,000

The remainder of the funding must be provided by the applicant business. Only one application per qualifying business/linked businesses will be accepted.

Eligible businesses will be expected to fund 100% of the project costs upfront.

You will be asked how much grant funding you require. Consideration should be taken of the level of grant requested as this will be used to assess value for money.

ie if the project is to create 1 full time equivalent job and is requesting £8,000/80 % grant it would be considered lower value for money than a project creating 1 full time equivalent job and requesting £4,000/50% grant.

Grants will be paid in arrears. The eligible grant amount will be reimbursed on production of receipted invoices / evidence of payment from the business bank account and evidence of delivery / completion of the project. Grant payments will normally be made in a single payment upon completion.

Expenditure incurred prior to the date the application is submitted will be ineligible for consideration. Any expenditure committed or incurred prior to project approval is entirely at the applicant's own risk.

7. Excluded Costs

Ineligible costs include (list not exhaustive)

- costs incurred prior to grant approval
- ongoing business overheads including routine marketing and promotion; equipment leasing costs; recurring licence fees; subscriptions and service charges; repairs and maintenance; banking; insurance; legal and accountancy fees
- purchase of stock
- wage costs and related employment costs
- costs *associated* with capital build projects e.g. land and consents
- relocation costs i.e. the costs of moving the business from one premises to another
- like for like replacement equipment including computers; general software and printers (N.B. upgrading of equipment resulting in improved business productivity is eligible for consideration)
- soft furnishings, beds, tables, chairs, cutlery and crockery, curtains, televisions and audio equipment etc.
- vehicles for use on the public highway
- energy saving measures on domestic premises e.g. solar panel installation
- core agricultural business costs
- projects carried out to meet a legal/statutory requirement.
- contingency costs
- in-kind contributions e.g. using your own labour, vehicle and office space
- single items of equipment costing less than £250
- recoverable VAT.

8. How to Apply for a Grant

Applicants must first complete an [online registration](#) for UKSPF support. District Council officers will verify registration information and businesses potentially eligible for grant support will then receive an email link to apply for grant funding

Please refer to the [Guidance for UKSPF Registration](#) if you have not already registered.

Please also refer to the [Grant Process for Applicants](#) for information about the overall application process.

Information Required to Support your Application

- Your UKSPF Unique Registration Number
- Details of permissions, consents or licences in place or required
- Company accounts (last year) or tax return (last year) and most recent bank statement
- **three written quotations** (or screenshots with dates clearly visible) for each item of expenditure. All quotations must be dated within 6 months of the application. Only formal quotations from other registered businesses or sole traders can be considered. Quotations will need to be uploaded during the application process.
- Details of previous public aid / assistance received.

Please ensure you answer the questions completely and accurately. Applicants will need to provide sufficient detail to warrant the level of the grant applied for and to justify the award of public funds. Applications providing limited information and not fully answering the applications will be scored accordingly and may not meet the minimum threshold. As part of your application you will be required to complete a table with the details of the items/services you wish to purchase; this will expand as you enter each item.

Businesses will be required to make a series of declarations to confirm their eligibility for grant assistance, including subsidy compliance, and that the information they have provided is accurate and complete. Incomplete applications will not be considered.

Information provided by businesses will be subject to both pre and post payment checks by District Council officers, including the District Council's Auditor where appropriate. The District Council reserves the right not to proceed any further with an application if there is doubt over the evidence provided.

9. How Your Grant Application will be Assessed

Grant applications will be scored and assessed by District Council officers.

Grant awards will be based on the information submitted and declarations made by a business within their application.

The application process is competitive and each application will be scored and assessed on its own merits against the grant criteria.

Scoring will assess:

- fit with fund objectives / priorities
- need for the project and grant
- deliverability of the proposals and risks
- value for money and additionality of the grant.

Consideration will also be given to:

- other considerations e.g. environmental benefits
- the total grant funding available under the scheme.

Applications need to meet a minimum threshold score to be recommended for approval.

10. Grant Award Process

The District Council aims to assess fully completed applications within 15 working days. A record will be made of the decision, the grant awarded, or the reasons for rejection.

Successful applicants will be issued with a grant offer to sign and return within 5 working days.

Unsuccessful applicants will receive a letter explaining the reasons why their application has been unsuccessful. Applicants can ask the Derbyshire Dales UKSPF Partnership Board to review their decision if they can evidence that:

- the decision was based on an error of fact
- the decision was wrong in law

All grant funding decisions are subject to availability of funds. The Council may close the application process at any time due to the number of applications received.

The Government and the District Council will not accept deliberate manipulation or fraud. Any business providing false or misleading information to gain grant money will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error. Clawback of grant funding may also apply should project outcomes fall significantly below application forecasts at monitoring stage.

11. Grant Claim Process

Applicants must submit a grant claim form within 10 working days of the project completion date as stated in the application.

Payments will only be made upon receipt of:

- a fully completed grant claim form.

- compliant evidence of eligible expenditure incurred to be provided with the claim form:
For equipment purchases: photographic evidence of delivery and installation will be required and a delivery note from the supplier where possible.
For the provision of services, evidence of the work completed will be required.
For training, evidence of booking onto training courses will be required, copies of training certificates to be submitted on completion of the course.

All project expenditure should be made and evidenced through the business bank account. Cash payments, personal credit card or PayPal payments are not deemed an eligible payment method and will not be considered.

The District Council will aim to pay fully completed claims within 10 working days.

12. Subsidy Allowance

All grants provided under the Rural Innovation Grant scheme must be compliant with UK subsidy rules.

Subject to a successful application, grant assistance under the Rural Innovation Grant scheme will be offered / paid under the **Minimal Financial Assistance** subsidy allowance which allows an enterprise – including any linked entities together constituting a single economic entity engaged in economic activity – to receive up to £315,000 in financial assistance during any three fiscal year period.

To confirm the business is eligible to receive this assistance, you must declare the full amount of: Government assistance (inc. COVID business grants); EU assistance (inc. De Minimis) and any other public sector aid (inc. free or subsidised advice or consultancy services) you have been awarded in the current and previous two fiscal years.

Businesses applying for assistance will be required to confirm that in accepting a grant, the business, including any linked entities together constituting a single economic entity engaged in economic activity will not exceed the Minimal Financial Assistance threshold.

Recipients will also need to declare any grant funding awarded to any other aid awarding body who requests information on how much public aid you have received.

13. Privacy Notice

Derbyshire Dales District Council takes your privacy seriously. We will treat all personal and business information provided in confidence and store it securely in accordance with the Data Protection Act 2018, the General Data Protection Regulations and the Council's [Data Protection Policy](#).

Your information will be used for the purpose for which it was intended, i.e. to enable us to process business grant applications and payments under the Rural Innovation Grant Scheme and will be stored for no longer than 10 years, according to the UKSPF data retention requirements.

Your data may be shared with other departments within the Council, Government departments responsible for the UK Shared Prosperity Fund/Rural England Prosperity Fund and third party processors operating on our/their behalf. We may also share information with other enforcing authorities for the purpose of preventing fraud, misuse of public funds and any legal or statutory requirements.

For more information on how we process your personal data and your rights as a data subject, visit www.derbyshiredales.gov.uk/your-council/data-information/data-protection

14. Other Important Information

Grant income received by a business is taxable therefore funding paid under the Business Growth Grant will be subject to tax. Only businesses which make an overall profit once grant income is included will be subject to tax.

Grant claims will be processed through a series of checks, including checks against our business rates database and checks for fraud including use of the Government Spotlight anti-fraud software and the National Fraud Initiative database. The District Council reserves the right to verify/put on hold any application to enable detailed checks to be carried out. Any suspected cases of fraud will be investigated by the Council's Auditor and may be passed onto relevant the relevant Government agency.

The Government guidance on which this document is based has been subject to change and, as such, this document may also be subject to change. The District Council does not accept any liability should any of the changes affect the eligibility of any business for Business Growth Grant support. In addition, the District Council does not accept any liability for any issues that may arise for businesses because of applying for, receiving, or not receiving payments under this grant scheme. Funding awarded through the Business Growth Grant is subject to receipt of UKSPF funding to Derbyshire Dales District Council.

The District Council reserves the right to publicise business projects receiving support from the Business Growth Grant. A condition of grant is that grant recipients must cooperate in any media or photography activity organised by or agreed by the District Council.

Enquiries regarding the Grant can be emailed to UKSPF@derbyshiredales.gov.uk

