

Humber Business Growth Hub Covid-19 Recovery Grants
SME Restart & Recovery Grants Flyer

About SME Restart & Recovery Grants

The Humber Business Growth Hub has been allocated European Regional Development Fund (ERDF) monies by government to operate a Covid-19 Recovery grant scheme to help Small to Medium sized businesses (SMEs) to recover from the impact of the Covid-19 pandemic. SMEs that have been negatively impacted by Covid-19 and that have an eligible project proposal can apply for the grant.

The grants are designed to help businesses pay for the costs of working with an external consultant, advisor, or other provider of specialist services that will help the business recover from Covid-19. This could be specialist support to find new ways to trade in a socially-distanced society, or could be advice on how to diversify the business to find new customers and markets, in order to safeguard the business and its staff. The grants can also cover the cost of basic equipment and tools that a business might need to allow it to trade whilst recovering from Covid-19. Please also note that grants can only be used to fund activity that would not otherwise have taken place were it not for the impact of Covid-19 on the business and wider economy. Therefore, applicants will need to provide robust justification as to how their proposed project will help their business recover from Covid-19 and how this grant will support this.

Please note that the Growth Hub's #GrowMySME Programme offers fully-funded (i.e. free to access) support to businesses on a 1-2-1 and 1-2-many basis. This includes investment readiness/access to finance advice, ICT for business advice, and general business growth advice. Applicants are strongly encouraged to review the support that the Growth Hub already has available before deciding on a possible use for this grant, as some services that you may wish to use grant funding for may already be available to you on a free-to-access basis. The #GrowMySME website can be found here: growmysme.co.uk

The SME Restart & Recovery grant will cover 100% of the costs that the applicant states in the application. Grants of between £1,000 and £3,000 can be requested. Requests for grant values either below or above these amounts cannot be accepted. As demand for these grants is likely to be very high, we ask applicants to carefully consider their proposed project and only request grant funding of a value that they know they will be able to spend within a short timescale.

Please note that businesses that have previously been awarded a grant from this scheme between September 2020 and February 2021 cannot apply for a second time, as the terms of funding only allow us to award one grant per business.

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This grant is for any SME that operates within a sector that is eligible to receive support from the European Regional Development Fund (ERDF). In practice, this means that **all sectors other than those listed below are eligible** to apply for this grants scheme.

Sectors that are **not eligible** to access ERDF support are as follows:

- Agriculture
- Banking & Insurance
- Fisheries & Aquaculture
- Steel Production
- Shipbuilding
- Synthetic Fibres
- Public Sector

What the Grant Can Be Used For

We have created a separate document called “**Grant Interventions In Scope**” which gives an indicative list of activities that these grants can fund. The list is not exhaustive, but does include a general view of what applicants can include in their applications.

In essence, any project proposal **that meets one or more of the following criteria** is likely to be made a grant award:

- A project that requires working with an external (to the business) specialist, consultant or advisor and/or the purchase of equipment or tools that will help the business recover from Covid-19.
- A project that requires working with an external (to the business) specialist, consultant or advisor and/or the purchase of equipment or tools to allow the business to trade in a socially distanced economy and/or through adverse trading conditions.
- A project that requires working with an external (to the business) specialist, consultant or advisor and/or the purchase of equipment or tools to safeguard the business and/or safeguard jobs within the business.
- A project that requires working with an external (to the business) specialist, consultant or advisor and/or the purchase of equipment or tools that allows the business to introduce new products, services or processes to safeguard the business, safeguard and/or create new jobs.

If you have a project that fits at least one of the above, and if your business is eligible (see below) then we would encourage you to apply. Please see as follows indicative lists of activities and items that these grants can and cannot fund.

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<u>Activity that Can Be Funded (Indicative)</u>	<u>Activity That Cannot Be Funded (Indicative)</u>
<ul style="list-style-type: none"> • Legal advice & consultancy • Financial and Accountancy advice & consultancy • HR advice & consultancy • Health & Safety/Business Operations advice & consultancy • IT & Digital advice & consultancy • Sales & Marketing advice & consultancy • Business coaching, mentoring & networking • Innovation and diversification advice & consultancy (<i>but not R&D activity – see column at right</i>) • Equipment & tools to ensure business continuity such as storage racking to aid supply chain disruption or LEAN processes equipment. • Equipment & tools to ensure business diversification such as tooling, dies and jigs for production of new products or IT hardware required to support the launch of new products or services. • Digital tools & specialist software 	<ul style="list-style-type: none"> • Projects and costs that have already taken place/been paid for • Research & Development Costs (<i>not including aid towards individual company processes and organisational innovation – see column at left</i>) • funding to support businesses with working capital; • purchase of equipment and consumables associated with PPE and social distancing measures; • activities which would contradict, duplicate or undermine HM Government domestic initiatives • Purchase of buildings or land or contributions towards • Salary costs • Expenditure on the purchase of transport equipment • Services that are classed as continuous or periodic activity • Costs that relate to a business’s usual operating costs • Expenditure supported by other government sources, local authority grants, or EC Structural funds to the extent that the combined grant and other support total more than 100% of the Project or project costs • Services provided by a ‘linked enterprise’ of the business (i.e. a business in the same group of companies or a business owned by the same owner(s)).

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<u>Is Your Business Eligible?</u>	
<p>SMEs will need to meet a number of eligibility criteria in order to apply for the grant. These criteria will be checked against the information that applicants state on their business registration and grant application forms by members of the grant processing team. All of these criteria are non-negotiable.</p>	
<p align="center">Criteria 1)</p> <p>Your business must be a Small to Medium Enterprise (SME) which means your business must have:</p> <ul style="list-style-type: none"> • Fewer than 250 full time equivalent staff • An annual turnover of less than €50 million <p><u>OR</u></p> <ul style="list-style-type: none"> • A balance sheet total of less than €43 million 	<p align="center">Criteria 2)</p> <p>Your business must trade (i.e. have a business address where business operations take place) within the Humber region, which is:</p> <ul style="list-style-type: none"> • Hull • East Yorkshire • North Lincolnshire • North East Lincolnshire
<p align="center">Criteria 3)</p> <p>Your business must operate in a sector that is eligible to access support from the European Regional Development Fund (ERDF). All sectors other than those listed below are eligible:</p> <ul style="list-style-type: none"> • Agriculture • Banking & Insurance • Fisheries & Aquaculture • Steel Production • Shipbuilding • Synthetic Fibres • Public Sector 	<p align="center">Criteria 4)</p> <p>Your business must have been trading on or before the 29th February 2020.</p> <p>Your business must also not have been in financial difficulties on or before 31st December 2019, and any financial difficulties since that date must have been caused by Covid-19.</p>
<p align="center">Criteria 5)</p> <p>Your business must have been negatively impacted by Covid-19 and you must be able to prove this in your grant application form.</p>	<p align="center">Criteria 6)</p> <p>Your proposed grant-funded project must be able to lead to at least one or more of the following impacts on your business:</p> <ul style="list-style-type: none"> • It safeguards the business • It safeguards jobs • It creates jobs • It creates a new to the business product, service or process

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How to Apply

1) You submit a pre-application business registration

You provide us with details about your business on our **pre-application registration form** on our online application portal, which can be accessed here:
www.humbergrowthhub.org/covid-19-sme-restart-recovery-grants/

We review your business registration form to verify your business's eligibility. Should your business be eligible, **we will invite you to submit a grant application**. This could take up to 5 working days.

2) You apply for the grant

You **complete the grant application form on the online portal**, which will ask you to declare the impact that Covid-19 and lockdown measures have had on your business, how you intend to use the grant, and how this will help with your business recovery. We will also ask you for some supporting documents too, such as financial accounts, bank statements, and supplier quotes. **You can request assistance to complete your application** from your local Growth Hub business advisor team – you can find their details www.humbergrowthhub.org/advisors-overview.

Required supporting documents:

- Minimum of one written quote from relevant suppliers of each required consultancy service
- For incorporated businesses only (Limited Companies & LLPs):
 - Last two years of complete Company Accounts
 - Up to date Management Accounts and/or P&L statement to cover the trading period between most recent set of Company Accounts and date of this grant application
- For unincorporated businesses only (Sole Traders & Ordinary Business Partnerships):
 - Most Recent HMRC Self-Assessment Tax Return for Business
 - Up to date Management Accounts and/or P&L statement to cover the trading period between most recent self-assessment tax return and date of this grant application
- Bank account statement in your business's name (from within last 30 days)



3) We review appraise your application

We **review and then appraise your grant application** against our objective scoring criteria, based on your answers to the application questions. We aim to notify applicants on the outcome of their application within 15 working days of receipt, although this could be as many as 20 working days, subject to application volumes

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4) You Complete your project

If we approve your grant application, we will ask you to **sign and return our grant offer letter and funding agreement.**

Once you have signed and returned the funding agreement to us, you have the green light to proceed with your project.

It is important that start you project as soon as possible after the grant award, and **complete your project not later than 11th June 2021.**



5) We Pay You The Grant

On completion of your project, simply provide us with copies of all **invoices and evidence of payment (a bank statement) along with a request to claim your grant payment.** Instructions on how to do this will be provided with your grant offer letter.

You must claim your grant back from us no later than 11th June 2021 to be guaranteed payment, as we cannot defray any grant beyond 30th June 2021 under any circumstances.

We'll then make the grant payment to you within 10 working days of receipt of your claim.

Essential Points to Note

As these grants are funded by the European Regional Development Fund (ERDF), they come with a number of eligibility criteria, key conditions, and exclusions. We therefore strongly advise prospective applicants to read the following list of essential points to note to ensure that your grant application is as accurate and complete as it can be, and to also avoid issues upon the processing of your grant application.

- Businesses can only apply for one grant. Multiple applications will be ignored.
- We can only assess applications that are fully complete with all required accompanying evidence and documents included. Applications will only be processed when complete.
- We cannot fund projects retrospectively (i.e. projects that have already started or finished).
- Completion of the grant application form is not an offer or guarantee of grant funding – all applications are subject to appraisal against competitive scoring criteria.
- Applications will be assessed on a first come, first served basis.

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- Proposed projects must start within 2 weeks of grant award and must then complete no later than 28th February 2021. Failure to start and finish projects within these timescales may lead to the withdrawal of a grant offer.
- We cannot offer grants for less than £1,000, or for more than £3,000. All proposed projects must cost within the £1,000 to £3,000 range.
- All grants are awarded exclusive of VAT (i.e. VAT is excluded).
- All grants will be paid to successful applicants in arrears, after you have provided us with the invoice(s) from the supplier and evidence of defrayment to the supplier (i.e. a bank statement). We cannot make grant payments in advance of your project's start or completion under any circumstances. You will therefore need to prove to us that you have sufficient funds in your business bank account to pay for the project before claiming the grant back from us.

Examples of Grant Applications in Scope

Example A – SME Restart & Recovery

A manufacturer of steel ladders and catwalks in Hull employs 20 staff, and usually turns over £100,000 per month. However, in April 2020 the business had to furlough all staff as orders had reduced to zero, and the factory was not set up for social distancing. By the middle of June 2020, the business had received enough orders to reopening the factory, but social distancing meant that only 10 of the 20 staff could safely return to work at the factory, and turnover in July was only £50,000 – only half the usual monthly turnover. Therefore, 10 of the jobs at the business are at risk of redundancy once the furlough scheme ends at the end of October 2020.

The business has been approached by a customer looking to order some steel container stands to be used for hand sanitiser gel in public places, such as stations, hospitals and shopping centres. The business believes that it has the equipment and staff skillset to manufacture these contain stands, and this would greatly diversify the businesses sales portfolio and customer base should they start to manufacture these products. However, the factory is not spacious enough in its current configuration to allow the rest of the workforce to return to work in a Covid-19 secure way, and also some extra tooling and equipment is needed to manufacture these new products.

The business therefore gets written quotes from LEAN manufacturing process consultants to help them reorganise the factory shopfloor to ensure that the limited space can be used to manufacture both the steel ladders and catwalks as well as the new steel container stands at the same time, with all staff returning to work from furlough. Their preferred supplier quotes £1,000 for this work. The business also gets written quotes from suppliers of a new jig from which the new products will be made, as well as some new storage racking to template store the new products before shipment, with their preferred supplier quotes £2,000 for these pieces of equipment.

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The business therefore submits a grant application requesting a £3,000 grant to cover the above expenditure, and states that the project will allow the business to bring the remaining 10 staff back from furlough (safeguarding the 10 jobs), will allow it to employ 1 new full time production assistant to help with the new product manufacture (a new job created) and will also allow it to develop the capacity to manufacture the new products – the steel container stands - (a new to the business product) which it believes will help the business return to a turnover of £100,000 per month, which will safeguard the business for at least the next 6 to 12 months as a minimum (business safeguarded).

The business is awarded a grant of £3,000 as the activity is in scope for the grant scheme, and the impact on the business will be very positive and widespread. The business then commences working with the LEAN manufacturing processes consultant to implement a more efficient use of the factory space and to configure the production process for the manufacture of two items, and orders the new jig and the storage racking for the new product. This work takes 4 weeks, and once the project has finished, the business pays the suppliers, before claiming the grant back from the Humber Business Growth Hub, which pays the grant into the business's bank account within 10 working days of the claim being made.

FAQs

Q) Can a business apply for a grant to obtain the cash as a lump sum, without mentioning a project?

A) No. These grants are intended to help businesses recover from the impact of Covid-19 by helping to fund the cost of working with a consultant, advisor or specialist, or by purchasing minor equipment and tools. We cannot award a grant to a business as a “cash lump sum” without assurance that the grant will be used on a project that we agree with the business.

Q) Can businesses be paid the grant before starting their project?

A) No. As these grants are funded by the European Regional Development Fund (ERDF), they are subject to strict and robust regulation and audits. Therefore, we are only able to make grant payment to businesses in arrears, that is, once the business has completed their project, and paid their supplier. We will need to see the supplier invoice and evidence of payment made to the supplier before we pay the grant to the business.

Q) Can a business apply for a grant if it has already received a grant from the Growth Hub or a local council?

A) Yes, subject to state aid limits. These grants are completely new and separate from all other grant schemes, so a business who has applied for another grant from the Humber Business Growth Hub or for a discretionary grant from their local council can still apply. However, these grants are specifically intended to help

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businesses recover from Covid-19, so only businesses that have a project in mind should apply.

Q) Can grants be awarded and paid gross of VAT (inclusive of VAT) to businesses that are not VAT registered?

A) No. Due to the way the monitoring, validation and financial management of the BGS and grant scheme are structured and implemented; it is not possible given the resources of the programme team to award grants gross of VAT to non VAT-registered businesses.

Q) Can the grant-funded project engage with more than one supplier of relevant services?

A) Yes. More than one supplier can be engaged with in order to implement the project, however please note that the grant application should still only feature a discernible single overall project, and that the contracts cannot be artificially split to lower their value, and that the maximum project value that can attract grant funding from the scheme is £3,000.

Q) Can the written quote(s) for the required goods or services consist of a screenshot of a web supplier?

A) Yes, but only if the screenshot includes enough detail, including the correct cost price, name of supplier, and the date and time.

Q) Can we purchase second hand goods using this grant?

A) Yes, but you will still need to get a quote for the goods and include this in your application. You will also need to get a quote for the same goods if bought new to show that the second hand cost is reasonable and accurate.