

# Digital Technology Grants for Business

## Applicant Guidance Notes

### Contents

<b>1. Introduction</b>	2
<b>2. Background</b>	2
<b>3. Grant Amount &amp; Match Funding</b>	3
<b>4. Eligible Projects</b>	3
<b>5. General Eligibility Criteria</b>	4
<b>6. Ineligible Project Costs</b>	5
<b>7. State Aid Rules:</b>	6
<b>8. Sectoral Restrictions</b>	6
<b>9. Timeframe</b>	7
<b>10. Application Process</b>	7
<b>Step 3 – Project Appraisal</b>	8
<b>Step 4 - Grant Offer</b>	9
<b>Step 5 - Payment of Grant</b>	9
<b>11. Project Variation Requests</b>	10
<b>12. Commercial Confidentiality</b>	10
<b>13. Help and Support</b>	10

## 1. Introduction

This guidance is intended to provide information for potential applicants to the Digital Technology Grants for Business Scheme.

The Scheme aims to support businesses to exploit their existing offer or introduce new systems, software or other physical/intellectual items to grow their business, improve performance and increase productivity through the use of digital technology.

Part-funded through the European Regional Development Fund (ERDF), the Scheme operates over two stages – an Expression of Interest followed by a Full Application process. Projects will be invited to the Full Application stage if they pass compliance and eligibility checks. The grant scheme will be available from 15 February 2021 to 31 August 2021; there is a possibility that the scheme may be closed early if demand exceeds the available funding.

The Scheme will be administered by Cambridgeshire County Council (the “Grant Managing Authority”)

This document provides further information on how to apply for the available funding.

## 2. Background

This grant scheme is part of the wider Connecting Cambridgeshire Programme and builds on significant public and private investment already being made to improve the region’s digital connectivity.

Digital technology is vital to support economic growth, enabling businesses to thrive and compete in domestic and global markets.

Digital Technology Grants for Business (DTG) intends to support businesses to grow and increase productivity, competitiveness and resilience through new or improved digital technology solutions. This is regarded as especially critical in the ongoing pandemic situation, which is pushing businesses into new business models more quickly than they would previously have expected.

The grants will provide funding towards the development or introduction of digital technologies to support new or existing business processes.

Further detail about example projects can be found in section 4: Eligible Projects.

### 3. Grant Amount & Match Funding

For projects with a value of between £2,500 and £12,000 eligible SMEs can apply for a grant of between £2,000 and £10,000 for up to 80% of project cost. The remaining 20% or more must be funded by the SME. The project (and grant) will support the introduction or development of digital technologies to help adapt the SMEs operations to secure opportunities in the new, more challenging trading environments.

Example table:

Project value	Grant 80% up to £10,000	Business contribution (min 20%)
£2,500	£2000	£500
£12,000	£10,000	£10,000
£20,000	£10,000	

**\*If your project is valued at over £12k the maximum amount of grant you can claim is £10k**

You will be expected to fund 100% of the project cost upfront. You will need to provide us with evidence of the expenditure from your accounts and you will then be reimbursed the amount agreed in your funding agreement as long as your expenditure is as much or more than approved.

### 4. Eligible Projects

Grants will enable eligible businesses to increase their offerings or tailor them to the 'new normal' ensuring that they are able to build on the experiences of the recent pandemic and grow further by investing in new equipment and systems and supporting the introduction or development of digital technologies to help adapt their operations to new trading environments.

For example (not an exhaustive list), grants could support businesses to:

- Ensure they maintain and grow customer presence and brand engagement;
- Understand, respond to and harness new business opportunities through improved digital technologies
- Operate more efficiently, reducing costs and delivering more for less
- Support remote working, while maintaining productivity and effectively managing and motivating staff
- And, as a wider impact of the project, may attract new or retain existing staff

It is envisaged that businesses will utilise grants to: Scale-up existing on-line capability and provision;

- Diversify products and business models
- Enhance or develop new infrastructure and equipment
- Develop on-line and social media presence and marketing
- Develop e-commerce and online sales
- Access and develop new markets
- Develop new products and services
- Develop supply chain and other business efficiencies (e.g. integrating business systems to streamline ordering, stock control, billing, dispatch, and delivery)
- Develop new ways of working; enhancing staff capability (e.g. by adopting new systems to support remote and collaborative working)

## 5. General Eligibility Criteria

- Grants are available for to purchase equipment and consultancy where this meets eligibility criteria. Capital funding relating to land acquisition; building acquisition; site investigation; site preparation; building and construction, the installation of permanent fixtures or electrical wiring are **not** eligible for funding.
- Grants are not available for items or services which would be considered part of normal business operations e.g. ongoing maintenance or repair costs, new for old purchases, etc. (See also section 6.)
- Grants are not available to be used as funding for salaries relating to the project.

To be eligible you **must**:

- Employ less than 250 full time equivalent (FTE) employees and have either a turnover ≤ €50 million or a balance sheet ≤ €43 million at the time of full application
- Have been trading for at least 12 months at the time of application.
- Fund and evidence 100% of the project cost upfront from your own resources, ultimately providing at least 20% of the cost yourself. You must not use European Union funding as a contribution to your 20% contribution.
- Not make any project purchases using personal credit cards, cash or cheques as these are not an eligible payment method
- Ensure any purchases are value for money and comply with procurement rules as follows:

For purchases under £25,000, applicants need to provide **one written quote** as a minimum. However, we do recommend you provide 3 quotes where possible, to demonstrate you have tested the market.

You will need to detail **all** selected purchases in Section 5 of the application form. Examples of how to record these are set out in the table below:

Total project cost				
No	Item/services specification	Name of preferred supplier	Total cost (incl VAT)	Total cost (exc VAT)
1	Windows 15" laptop, 5GB hard drive with 64GB RAM	PC World	£1,200.00	£1,000.00
2	Development of marketing plan and branding guidance	ABC Associates Ltd	£12,000.00	£10,000.00
<b>TOTAL COST OF PROJECT (exc VAT) IS USED</b>			<b>£15,600.00</b>	<b>£13,000.00</b>

You need to be able to explain how you will ensure value for money from your proposed purchases e.g. explain why you think your preferred supplier represents the best choice for price and quality. You should provide your answer in **Appendix A** of the Full Application Form for each item and attach any evidence you have if available.

You **must**:

- Provide **up to date financial accounts, showing profit and loss, for the last three years**, your most recent **management accounts** and justification of why your 12 month forecast figures in section 2 of the application form are realistic e.g. what assumptions have you made to estimate future turnover, profit, employment costs and number of employees.
- Describe the commercial viability of the project and how it will improve business performance and productivity
- Not have started the project for which grant funding is sought. Any purchases initiated prior to a grant award will not be eligible for funding
- The applicant should have been trading for at least 12 months at the time of application.
- Have a business bank account
- Have all the necessary permissions, licences and insurances to operate your business
- Satisfy us?? that the proposals are viable, offer value for money, are realistic and deliverable

You **agree** to:

- Record capital purchases valued at more than £1,000 per item on a Capital Asset Register as a condition of the grant agreement.
- Give consent to Cambridgeshire County Council and partners to involve your business in publicity for the grant scheme, e.g. press releases, case studies and photographs (subject to commercial sensitivity).
- Take part in a final project evaluation to assess its overall success
- Partake in periodically agreed monitoring after the final grant payment, which will help us to assess the success of the overall Digital Technology Grants for Business scheme.
- Put in place publicity measures as stated in the signed agreement with Cambridgeshire County Council.

## 6. Ineligible Project Costs

There is no definitive guidance on which costs are ineligible. However, the following cannot be supported by grants:

- Reimbursement of goods / services already purchased prior to the date of a grant offer letter
- Repayment of existing loans or debts
- Recurring revenue costs (including: salaries, pensions, stock, rent, utility charges, service charges subscriptions, insurance, tax, recruitment fees, website hosting etc.)
- Line rental and on-going maintenance costs associated with implementing a superfast broadband product
- Repairs and maintenance to existing ICT equipment
- Like-for-like replacement of existing items
- Any second hand item which was previously purchased using grant funding
- Mobile phones
- Accredited training or the development or implementation of accredited training materials
- Financial charges, such as bank charges and interest

- Enterprises in difficulty
- Enterprises subject to an outstanding order for the recovery of illegal State Aid
- Fines
- Activities that may bring any of the partners into disrepute
- Costs associated with gaining statutory permissions or consents
- Delivery charges
- VAT

This list is not exhaustive and specific items can be checked for eligibility by the Grant Management Team.

## 7. State Aid Rules:

All public assistance provided to businesses must comply with European State Aid rules as they would in any other part of the UK.

The Digital Technology Grants for Business scheme will operate under the De Minimis State Aid regulations. A maximum of €200,000 (at the relevant exchange rate – [CLICK HERE](#) to calculate) is available to any one applicant over a three-year rolling period under De Minimis rules. If an applicant has had other public funding, this could reduce the amount of money they receive through this Scheme. **N.B** For road freight / transport sector, the De Minimis maximum is €100,000 over a 3 year rolling period.

You will be required to provide details of the De Minimis funding already received in the relevant period to test the amount of grant that can be offered.

If your grant application is successful, you will receive notification of the estimated amount of De Minimis you will receive, and once completed, you will receive a De Minimis letter from Cambridgeshire County Council stating the value (£ and €) of public support provided through the Digital Technology Grants for Business scheme.

## 8. Sectoral Restrictions

A number of sectors cannot be supported through ERDF due to the existence of State Aid and other regimes, or because aid would distort competition. The following sectors are **ineligible** for ERDF grant support:

- Fishery and Aquaculture
- Agricultural products
- Coal, steel and shipbuilding
- Synthetic fibres sector
- Financial and insurance
- Establishments providing generalised (school age) education
- Coastal protection, soil conservation and infrastructures

Retail businesses are subject to some exclusions. The general principle is that support to build or refurbish retail facilities or improve infrastructure of any kind is not eligible as it will not assist economic development and that improved performance for one facility / business is regarded as displacing similar activity elsewhere.

Revenue support for the retail sector is eligible only where the business supported is an SME and the support is not exclusively or predominately targeted at a single retail businesses.

Where there is no question of displacement, for example, a specialist consultant is offering advice to a range of retail organisations on reducing their carbon emissions, this should be allowed.

Finance and insurance companies should not be supported, as their activities are non-productive and support to one institution is likely to lead to displacement of jobs. This would include insurance brokers who act as intermediaries and 'sell' insurance policies to businesses or individuals.

For those applicants active in the road freight / transport sector, the De Minimis maximum is €100,000 over a 3 year rolling period.

## 9. Timeframe

The Digital Technology Grants for Business fund will remain open to applications until 30 August 2021.

Projects awarded funding will be required to claim their grant award by the date or timeframe stated within the Grant Offer Letter / Agreement.

However, all projects funded through the Scheme **must be** fully completed and all grant funding **claimed** by applicants, as soon as possible but **within** 6 months of a returned signed offer letter.

## 10. Application Proces

### Step -1 Expression of Interest

You will need to submit an Expression of Interest Form. Once submitted, a project and item eligibility check will be undertaken. If your business or project is not eligible at this stage of the process you will be advised accordingly.

Your completed Expression of Interest Form should be emailed to the Digital Technologies Grant Management Team for eligibility assessment. This will typically be within 10 working days or sooner if we can.



## **Step 2 – Full Application**

If your project is eligible for support through the Digital Technology Grants for Business scheme, you will be contacted via email by the Digital Technologies Grant Management Team and invited to submit a Full Application.

Alongside the application you must submit your procurement information dated within the last three months (please see Procurement Guidance table located on page 5 of this document for more information), up to date financial accounts for the last three years, your most recent management accounts and a 12 Month financial Forecast from project completion date.

The Digital Technologies Grant Management Team will advise the timescales and process for submitting full applications when you receive your Full Application Form.

## **Step 3 – Project Appraisal**

On receipt of the completed Full Application and supporting documentation, the Grant Managing Authority will conduct due diligence and ERDF compliance checks on the application.

Any issues or queries including requests for missing / additional information will be raised with you.

Applications passing the due diligence check will undergo a quality appraisal and will be assessed against the following:

- How the project will improve your productivity and efficiency
- How the project will enable your business to diversify to support economic and job growth
- How the project will enable your business to access new markets not currently accessible to you (take advantage of new commercial opportunities) and enable you to offer new products or services that add significant value to the current offering
- Deliverability in proposed timescales / milestones, including contingency arrangements and the capacity of the organisation to manage and monitor the work.

All grant applications will then be considered by a Programme Board and the applicant informed of the outcome in writing. If an applicant wishes to appeal the decision, they will need to contact the Grant Managing Authority who will outline the appeal process.



## **Step 4 - Grant Offer**

If the application is successful, the Grant Managing Authority will notify applicants in writing in the form of a Grant Offer Letter / Agreement. Any award will be made based on the terms and conditions outlined within the Grant Offer Letter / Agreement.

Once received, applicants will have 14 days from the date of the Grant Offer Letter / Agreement to sign and return the Acceptance of Grant Funding Agreement acknowledgement to confirm acceptance of grant. After this date, the offer will be automatically withdrawn. The applicant will then have to re-apply if they still wish to proceed after this date.

**NB You must not enter into any financial or contractual arrangement with any supplier prior to the project being approved, and not before the date that the Grant Agreement is signed by the Grant Managing Authority. To be clear, any expenditure prior to the date that the Grant Agreement is signed, dated and returned cannot be claimed.**

The Digital Technologies Grant Managing Team reserve the right to withhold, vary or reclaim funding if any information supplied through the application and approval process proves to be inaccurate, misleading or incomplete.

## **Step 5 - Payment of Grant**

Applicants will submit their grant claim in accordance with the terms and conditions set out within the Grant Offer Letter / Agreement and any subsequent approved change requests.

Applicants must submit the claim for grant assistance retrospectively, by the date(s) stated in the Grant Offer Letter / Agreement, evidencing 100% of the costs incurred. The grant will only be paid once project expenditure has been defrayed (paid out) and evidenced.

Payment of the grant will only be made when we receive appropriate supporting evidence, which includes:

- A signed declaration requesting grant payment evidencing all costs incurred. You **are not** permitted to make any purchases using personal credit cards, cash or cheque as these are not an eligible payment method. If a business credit card is used to make purchases, you must have credit card statement and a bank statement which shows the amount has been paid off to the credit card.
- The original invoice(s), OR a certified copy of the original invoice(s) with a statement saying that the original is available on request, from the service provider(s) to the applicant for the full cost of the goods / services delivered evidencing expenditure defrayal;
- A copy of the applicant's bank statement identifying the payment(s) made by the applicant to the service provider(s);
- Procurement evidence outlining that the goods / services were compliantly sourced and procured;
- Evidence of any publicity and acknowledgements of the funding required in place.

If the actual costs are less than those outlined in the application and agreed in the Grant Offer Letter / Agreement, the maximum amount of grant to be paid will not exceed the actual amount on the received invoice.

Final payments will be subject to the applicant having satisfactorily completed the project and complied with all terms and conditions of the Grant Offer Letter / Agreement and there being no dispute between the applicant and its procured organisations. The Grant Funding Agreement covers matters of dispute resolution.

## 11. Project Variation Requests

Once the grant agreement has been signed and your project approved, any subsequent alterations will be subject to a formal variation request. This variation request will be considered by the Grant Managing Authority and if appropriate the Grant Panel, before being approved.

Instances where a formal variation request may be required include:

- Variation to items, goods or services being purchased
- Changes to the supplier
- Increases or decreases in value
- Amendments to the project scope.

Please contact the Digital Technologies Grant Management Team to discuss any project variations further.

## 12. Commercial Confidentiality

The information provided via the application process will be made available to Cambridgeshire County Council partners as part of the grant approval process. It is generally presumed that the information provided at all stages of the process is commercially sensitive or confidential and will be treated as such. However, when signing the application, you agree to us sharing the details of your application with these partners. Further details on this issue are referenced on the application form.

## 13. Help and Support

If you would like to discuss the **general eligibility** of your proposal, prior to submitting an Expression of Interest, please contact [digital.grants@cambridgeshire.gov.uk](mailto:digital.grants@cambridgeshire.gov.uk) or phone 01223 699229.

**Support** to complete your **Full Application** is available from the Cambridgeshire and Peterborough Combined Authority's Growth Hub who can be contacted at:

[www.cpcagrowthhub.co.uk](http://www.cpcagrowthhub.co.uk); email: [hello@cpcagrowthhub.co.uk](mailto:hello@cpcagrowthhub.co.uk) or; phone 01480 277923.

However, please note, applications must be received from the applicant organisation directly and while help and support in completing your application is entirely acceptable, we would encourage you to write the Full Application in your own words and to have a full understanding of the application if any clarification is requested.