

ECO-I North West

SME Capital Grant – Application Guidance Notes

This project is part funded by the European Regional Development Fund (ERDF)

Before you begin please read through all these notes to help inform your application

Purpose

This is a capital grant scheme, it will not support revenue expenditure. These grants are available to support enterprises drive forward with innovation which supports a transition towards a low carbon economy. Through this application form you will be asked to describe the ambition you have for the changes that this can deliver for your business, to detail the investment that will be made and to describe and quantify the benefits that this will deliver to your business and to the environment. ERDF is “funding of last resort” so you will need to show what you can achieve with this funding which was not otherwise possible.

This is a competitive process. The information you submit will be reviewed and scored by a panel to assess the suitability and risks associated with your plans. Eligibility of the enterprise and project timescales are “gateway criteria” and must be met for an application to be considered.

Eligible applicants

The grant is open to Small to Medium Sized Enterprises only (SMEs) based in the North West of England. This includes the counties and metropolitan areas of East and West Cheshire and Warrington, Cumbria, Lancashire including Blackburn with Darwen and Blackpool, Greater Manchester and the Liverpool City Region. These enterprises may be businesses, not for profit or social enterprises, charities etc, but need to demonstrate that they are trading and have:

- fewer than 250 employees

and either:

- a [turnover](#) of up to €50 million
- or a balance sheet total of up to €43 million

Where businesses are part owned by or have ownership of another enterprise the wider details of the group may need to be considered and full details are available in the user guide of the [SME Definition](#).

In addition businesses must show that they are not an enterprise in difficulty and that they have the ability to receive grant funding in the form of a State Aid without breaching the threshold limits. An Eligibility form is available to allow these details to be provided. See below for how to submit this.

Please ensure all sections are completed, and that the State Aid section is NOT left blank even if the company has received no aid in the previous three years. This forms will need to be signed in ink or using an approved digital electronic signature.

State Aid

SME Capital Grants are awarded under State Aid. They will be awarded under the De Minimis Regulation or General Block Exemption Regulation.

The De Minimis regulation allows a Small to Medium Sized business to benefit from grant aid to a maximum of 200,000 Euros or approximately £170,000 in a rolling 3 year period comprising this financial year plus the previous two years. If awarded under the General Block Exemption Regulations (in accordance with COMMISSION REGULATION (EU) No 651/2014 of 17 June 2014), this grant will constitute aid for Research, Development and Innovation and the nature of the research and collaboration with a research institution will be assessed.

Timescales

The grants will only support projects which will be fully completed and fully paid for before the end of March 2023. It is expected that in most cases there will be a single payment of grant. If a project has a staged procurement and installation this will need to be clearly set out in the application but full and final installation and payment must be before March 2023.

Nature of “the project”

The aim is to support the development of a new product, process or service which aids a transition to a low carbon economy. It supports progressing innovation along the technology readiness levels and businesses adopting new technologies. This “simple to apply for” grant supports purchase of equipment for the creation of components parts of complex systems. It allows the construction of prototypes in a laboratory or for simulated interfaces to existing systems as well as of pilot lines, when necessary for industrial research and notably for generic technology validation. The grant can include the purchase of equipment or technology and its installation but will not support running or maintenance costs. The grant will also not support the purchase or upgrade of vehicles, e.g. purchase of an electric vehicle. Evidence must be provided that work on the project has not started.

Value

The total value of the project proposed must be no less than £5000 and no greater than £24,999. If the applying enterprise is vat registered the costs to be considered will be exclusive of vat. If the enterprise is not vat registered then the project costs may include the vat.

Procurement

The applicant needs to demonstrate that the proposed project is value for money. As part of this it needs to ensure that procurement meets the criteria for the use of public funds through ERDF. It is essential therefore that a minimum of three separate quotes from different suppliers are obtained for each and every item or aspect of the project, and that there is clear evidence of this. It is not sufficient to claim that there is only one supplier. Where this may be the case for a particular item of equipment, alternative quotes for other equipment which could fulfil a similar role will be expected and an explanation as to why the chosen item represents the best value overall.

Please when evidencing quotes it is important that a written print out or screen shot of the quote is provided, not simply a hyperlink which may quickly become broken.

Intervention rates

The grant will pay up to a maximum of 50% grant on eligible costs for enterprises based in areas classed as more developed areas which include: Gt Manchester, East and West Cheshire and Warrington and Halton District. The grant may pay up to 60% of eligible costs for enterprises based in Cumbria, Lancashire including Blackburn with Darwen and Blackpool and Merseyside. In the application businesses will be expected to show how the remaining the project costs will be financed.

The application process

Please submit an:

- Eligibility form and
 - Application form and
 - Supporting documents
 - 2 years Financial accounts
 - 3 Written quotations per item of expenditure
- If you are a new business a Business Plan for 2 years
 If this is a buildings related project we will need:
 Planning permission approval (if required)

Lease agreement (if relevant)

The Eligibility Form and Application form will need to be signed via a digital electronic signature. The easiest way to do this is to send them to us once you have completed them. We will do a quick check for completeness and then send them back for signature through the electronic E-Sign system. This allows you to sign these in a couple of easy clicks. You need to be looking out for them and checking that they have not gone into the junk folder. They will be marked as an E-Sign document for signature.

Please submit these by email to: cge-admin@lancaster.ac.uk

On receipt we will assess and score the application. Our aim is to respond within a 3 week period, to confirm if your application has been successful or not. If you are successful you will receive an offer letter setting out the terms of the agreement.

Scoring

All applications should demonstrate how they benefit the business and the environment. You should set out clearly how you will achieve carbon savings as well as enabling the business to progress along technology readiness levels and/or commercialise a new product, process or service.

Your application will then be scored against a series of criteria.

The project will score better if you can clearly set out the benefits that the project will deliver to your business and quantify these in terms of how this supports the development of new products, processes or services, increased turnover, jobs to be created or safeguarded, new market opportunities or clear and collaborations with other stakeholders.

Similarly the project will score better where there are clear environmental benefits which are set out and quantified in terms of CO₂ equivalent gas savings. All figures should be for projections of no longer than 12 months from project completion. Projects which demonstrate they are part of an ongoing research and development collaboration with a Higher Education Institution may score better.

Claims - Payment and cash flow

If successful, the expenditure must be cash-flowed by the business in line with ERDF rules and regulations (the Eco-I NW project team will support beneficiaries through this). Grants will only be paid upon completion/installation and once there is sufficient evidence of defrayal. All assets will be registered and will require a funding plaque to be displayed to be provided by the project team.

It is important at application to understand that that grant will only be paid once there is clear evidence that the equipment has been purchased, installed (if necessary) and paid for in full. Applicants need to have the means to cash flow this until grant is paid and through the application process show they have considered the implications of this.

It is a criteria of claiming the grant that there must be clear evidence of full payment leaving the SME's bank account. I.e. the SME must clearly show written evidence of defrayal from its accounts. Cash payments or payments in kind will not be considered. For projects which have a staged implementation, no more than two payments of grant will be made so applicants need to clearly set out the stages of procurement and installation.

In order therefore to claim the grant there must be:

- Clear evidence of an appropriate procurement process being followed
- Evidence of the equipment being purchased and installed
- A plaque in place acknowledging the part funding of ERDF
- Clear evidence of full defrayal from the SME's bank account
- An asset register completed showing the detail and location of the items purchased.

Grant will not be approved or paid against a purchase made on a lease hire basis. Grant will only be paid on items purchased via lease purchase when the item has been paid in full and there is evidence of full payment and that ownership has transferred to the applicant. This must take place before March 2023 and grant will only be paid on the capital value of the item, not on any interest element. Applicants are advised it is preferable to avoid lease purchase for the purposes of this scheme.

Notes on Scoring criteria

Section 1: Applicant details

Is the applicant an eligible SME within the State Aid threshold?

Section 2: Timescales

Are the timescales indicated appropriate for the funding duration?

Does this give enough time to evidence the procurement and outcomes?

Will you have fully paid for and defrayed this payment prior to the end of March 2023?

Sections 1 and 2 are Gateway criteria. Applications will be rejected if these criteria are not met.

Section 3: Project proposal ambition and technology

Please detail the equipment and technology to be purchased with the grant.

If successful, what would be the key aims and objectives when utilising the grant money?

Detail if you are trialling your own product/technology, are demonstrating a novel use of existing technology, require infrastructure to test your new innovation

How will this investment enable further innovation and progression along technology readiness levels (include reference)?

What will happen following the investment?

What does the grant allow you to do which you are currently unable to do?

Projects will score better if they can demonstrate how this work enables long term collaboration with a research institution.

Section 4: Carbon savings

How will this grant deliver environmental benefits and support a transition to a low carbon economy?

Provide data and calculations projecting potential carbon savings for the year following project completion.

Further environmental benefits such as reduced waste, better air quality etc. should also be detailed

Section 5: Commercial benefits

Please set out anticipated benefits to your business. How does it support new products, processes or services. Does it increase turnover?

Would it allow you to collaborate with any other businesses? If so please detail

Would it create any new jobs? If so please detail

Would it safeguard any jobs? If so please detail (why were these at risk?)

Are there any benefits for the surrounding area or local economy?

Section 6: Risks

Please detail any risks associated. How do you plan to mitigate any risks?

Are there any risks of delay or changes to expenditure? E.g. international procurement and shipping

Section 7: Finance & procurement

Is the procurement schedule realistic, comprehensive, fully developed?

Does it come within budget?

Is there appropriate match funding confirmed from the business?

Is there a clear rationale for chosen suppliers? Does it demonstrate good value for money?