

# Cherwell Business Adaptation Fund

## Guidance for Cherwell Business Adaptation Fund applicants Full Application Stage

### 1. Introduction

Oxfordshire Local Enterprise Partnership (OxLEP) is administering Cherwell District Council's Cherwell Business Adaptation Fund (CBAF) which is funded through the Government's Additional Restrictions Grant (ARG) round two, which provides local councils with grant funding to support businesses impacted by coronavirus restrictions, and that may or may not be in the business rates system.

CBAF Grants are available to existing businesses which have been trading within the Cherwell area for at least one full financial year. CBAF grants will be between £5,000 and £20,000 for capital and/or revenue projects that deliver tangible outcomes aligned to accelerate investment to strengthen business performance, provide supply chain resilience, transition to net zero, drive technology and innovation adoption and increase sales and market share.

**All grant claims and evidence of defrayal must have been submitted to OxLEP by 31 January 2023 at the latest.**

The scheme will operate as a competitive single stage application process following a simple pre-qualifying questionnaire through an on-line portal (*insert weblink*). The deadline for applications is 5pm on 31<sup>st</sup> May 2022. **Please note that this is a competitive grant competition. Submission of an Application does not guarantee any funding will be awarded.**

Given the value of the grant programme allocated Cherwell by the Government, it is expected to support between 25 and 100 local businesses with grants, depending on the grant sizes requested by businesses who meet the eligibility criteria.

Applications will be reviewed in line with the process set out in these Guidance Notes and we aim to complete this and notify applicants of grant award decisions by the end of August 2022.

Please note that due the high volume of applicants we will be unable to provide individualised feedback.

We strongly advise that you read these Guidance Notes and accompanying FAQs in full, and you must watch the pre-recorded CBAF grants webinar. Incomplete

applications or those missing important supporting documentation will not be considered.

### **Key timings for the Scheme**

Activity	Date
CBAF grant scheme launches	3 <sup>rd</sup> May 2022
Deadline for questions via email only to CBAF@oxfordshirelep.com	23 <sup>rd</sup> May 2022
Submission deadline for Applications	5pm, 31 <sup>st</sup> May 2022
Assessment Period for Applications	1 <sup>st</sup> June – 29 <sup>th</sup> July 2022
Applicants informed of final decision	1 <sup>st</sup> August 2022
Grant Funding Agreements issued for review and signature	By 31 <sup>st</sup> August 2022 at the latest
Deadline for return of signed Grant Funding Agreements	Within 14 days of receipt by applicant – offer will be revoked and funding reallocated if Agreement is not returned by the deadline
Final claim deadline for submission of all approved project expenses and evidence of spend and defrayal	5pm, 31 <sup>st</sup> January 2022
Completion of PR collateral and case studies for CBAF	28 <sup>th</sup> February 2023

*\*We cannot guarantee that the online application process will be compatible with mobile technology, so we suggest that you arrange to have access to a laptop or computer to complete the online Application Form. We also suggest that you install the most recent version of your web browser in advance.*

## **2. What's available**

CBAF grants will be in the range of £5,000 - £20,000.

Grants must deliver against at least one of the CBAF priorities:

- increased sustainable job creation
- increased R&D and product development
- diversification into new business markets
- increased exporting capacity (manufacturing, production and services)
- de-risked/strengthened supply chains with a focus on UK supply chains

- transition to trade globally including new EU requirements
- successful transition of business operations to net zero carbon emissions and lower carbon footprint
- enable the visitor economy to become more resilient post pandemic

Applications that can evidence CBAF co-investment would be preferred although this is not essential where a compelling rationale can be provided. Staff costs *cannot* be claimed as a grant payment but *can* be included as part of the match funding.

Grant projects will be paid in arrears, so applicants must be confident that they can cash flow their project pending reimbursement. You should provide a schedule of claims in your application; please note that we do not expect there to be more than two claims in any one project unless there are exceptional circumstances. All activity, outcomes, and expenditures must be achieved, reported, and evidenced by 31<sup>st</sup> January 2023 at 5pm. **Please note: if you submit your grant claim after this date, we will not be able to pay it.**

All CBAF grants are awarded the Domestic Subsidy Allowance (DSA) for COVID-19 business support grants. The DSA scheme is covered by 3 subsidy allowances:

- Small Amounts of Financial Assistance Allowance – up to €325,000 (approx. £335,000 subject to exchange rates) over any period of 3 years. **If** a company has already received €325,000 of Small Amounts of Financial Assistance (also known as Special Drawing Right (SDR)) or *De Minimis* State Aid within a three-year fiscal period, it will have to rely on one of the other allowances.
- COVID-19 Business Grant Allowance – up to £1,600,000
- COVID-19 Business Grant Special Allowance - if businesses have reached limits under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, they may be able to access a further allowance of funding under these scheme rules of up to £9,000,000

For the avoidance of doubt, provided certain conditions are met, these three allowances can be combined for a potential total allowance of up to £12,235,000 (subject to exchange rates).

**Please note:** the grant value will be at the agreed percentage of your total approved, defrayed and claimed expenditure. Defrayal (i.e. expenditure from the company bank account) must be demonstrated as part of the grant claim, i.e. copies of quotation, invoice and defrayal.

### 3. Nature of grant offer

Given the short timescales for the CBAF grant scheme, we have produced a pre-recorded webinar covering the mechanics of applying to and managing a CBAF

grant project. Applicants are required to watch this and must complete a self-declaration as part of their application to confirm that they have done so.

Grants can contribute to projects that are already underway, at the Grant Panel's discretion; however, **any costs incurred before receipt of a Grant Offer Letter are not eligible and will not be included.** For the avoidance of doubt, retrospective project costs will not be eligible.

If you are willing to start working on the project without the grant, it is debatable whether the funding is needed for the activity to proceed as you had sufficient funding to be able to commence the project. In such cases, please ensure that the added value of public funding is made clear as applications will be scored on a competitive basis.

#### 4. Eligibility

Having received an OxLEP or other grant in the past or made a grant application will not affect your ability to be awarded a CBAF grant and brings no advantage or disadvantage. However, please complete the relevant table in the Application Form in full for all previous public sector support received in the last three years.

##### *Eligibility*

- CBAF is only available to SME businesses that have been trading in the Cherwell Council's area for at least one full financial year
- Grants can fund capital or revenue costs
- Grants for EV fleet will not be considered however EV charging infrastructure is eligible
- Salary costs are not eligible but may be used as match
- Minimum anticipated grant value: £5,000
- Maximum anticipated grant value: £20,000
- Your enterprise complies with at least one of the three elements of the Domestic Subsidy Allowance
- Your business must be viable, or have a credible plan to return to viability
- All project costs need to be defrayed and claimed by 31st January 2023
- Applicants must have attended a CBAF grant webinar

##### *Eligible projects*

Examples of what the grant CAN support includes capital equipment, renovation or refurbishments that don't require planning permission:

- Investment in and refurbishment of buildings, plant, machinery and equipment
- New capital items such as 3-D printers, immersive technology and AI
- Digital design and data analytical capability for inventory and supply chain management
- Software and/or licence costs relating to the above
- Laboratory space renovation, refurbishment or equipment
- Actions to accelerate the adoption of cleantech and to build back greener e.g. development of EV charging infrastructure, energy systems renewal/replacement (where these cannot be funded elsewhere)
- Grants for EV fleet will not be considered however EV charging infrastructure is eligible
- EPOS systems- **Electronic Point of Sale digital system** - computerised system used in shops, restaurants and other retail outlets
- Revenue grants are available to support staff training and reskilling that is additional to any statutory training that is a legal requirement of that sector (i.e. food hygiene for catering businesses or safeguarding for health & social care businesses) for both existing and new recruits
- Revenue grants might also be used to buy in specialist consultancy that supports the delivery of CBAF priorities – i.e. procured external consultancy/training expertise to progress firm-relevant supply chain projects, relevant in a post COVID-19 environment

### *Ineligible projects*

Examples of what the grant **CANNOT** support:

- working capital;
- funding for the payment of wage subsidies
- Grants for building extensions will not be considered - delivery timescales do not allow CBAF to support building extensions (whether requiring planning permission or not). Even where planning is granted many capital projects are delayed due to materials and labour shortages
- activities which would contradict, duplicate or undermine HM Government domestic initiatives;
- VAT payments (other than project costs where VAT cannot be recovered from HMRC or for non-VAT registered businesses);
- Paying off debts or refinancing;
- Purchase of financial investments;
- Any statutory or legislative obligations, duties or requirements;
- Hire purchases and/or asset finance arrangements;
- “Like-for-like” replacement of obsolete equipment with little or no added value.

### *Ineligible activities*

Under the UK Subsidy Control Commitments in force from 1<sup>st</sup> January 2021, some elements of activity cannot be supported. Therefore, CBAF grants cannot be:

- dependent on export performance – for example linking the grant to a specific export performance
- contingent on the use of domestic content – for example stating that the grant recipient must use a minimum percentage of UK inputs in their product
- provided to a non-viable business, unless that business has a valid plan in place to return the company to viability

### 5. VAT

VAT is potentially an eligible cost for CBAF grant projects, however, this will vary on a case by case basis and OxLEP cannot give VAT advice to applicants.

We recommend that you seek VAT advice when drafting your application. It is your responsibility to ensure that VAT is correctly treated within your grant project. Incorrect VAT treatment could lead to penalties from HMRC and you having to repay the VAT element of the grant that should not have been claimed.

It is your responsibility to include VAT if you need to claim it. If you do not include eligible VAT at the time of applying, the grant will be awarded based on net costs and VAT cannot be claimed.

### 6. Procurement

*Please read this question carefully*

Provided you are not a Contracting Authority as defined in the Public Contracts Regulations (2015) you will be able to provide direct awards to suppliers for contracts below £100,000. You will, of course, be required to justify the selected supplier by seeking and providing copies of three written quotes. Given the value of the grants that we will be awarded, we do not anticipate any supplier cost will exceed £100,000. In the unlikely event that a single supplier will exceed this threshold, you must contact the OxLEP CBAF team to discuss your approach before submitting your application.

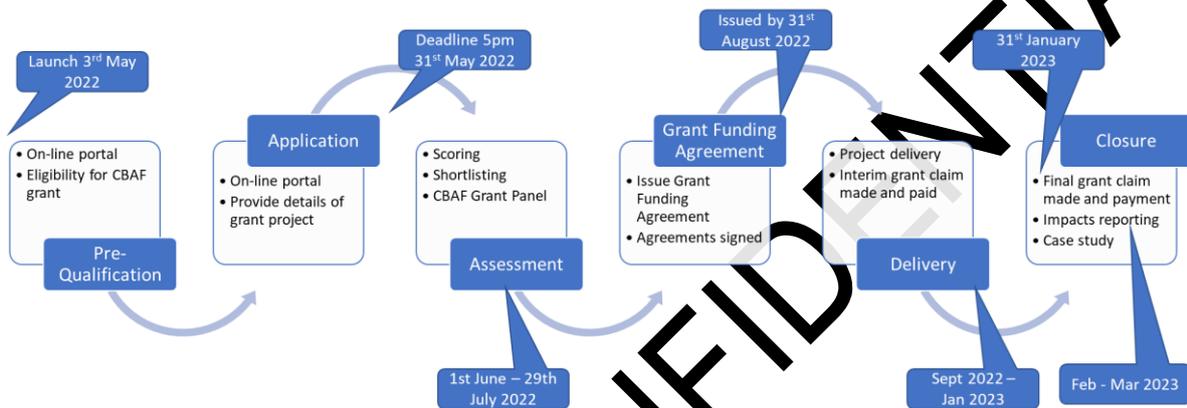
The evidence that you need to provide alongside your application for all procurement / supplier selections is:

- Copies of any quotations/screenshots.

- Quotations/screenshots must be clearly identifiable to the supplier and include the supplier name, a date, price per item to be purchased/procured, if the amount is inclusive or exclusive of VAT and (where possible) the supplier letterhead/logo.

## 7. Application process

All applications will be treated fairly and consistently in line with the process set out below:



We aim to inform applicants on or before 31<sup>st</sup> August 2022 whether their application has been successful. Applicants will be advised as early as possible if there is likely to be a delay to this timescale.

Applications will be assessed against the prescribed scoring criteria (see Section 8) by OxLEP. A shortlist of applications will be passed to the CBAF Grant Panel to select approved applications within the budget available. Shortlisting will be based on submissions that pass due diligence at the Full Application stage and one of the following approaches depending on the number and quality of applications received:

- Either the highest scoring 1/3 of applications;
- Or all applications which receive a score of 60% or higher;
- Or the top scoring applications covering 125% of the value of the available CBAF grant pot.

The objective is to ensure that the Grant Panel is a competitive and selective process and does not rubber stamp the shortlist. If applications are not of sufficient quality the Grant Panel may choose not to commit the full CBAF grant pot.

The CBAF Grant Panel is composed of representatives from OxLEP and Cherwell District Council. Any applicant found to have attempted to unduly influence a Panel Member by contacting them to discuss an application will be disqualified from the process. It is crucial to ensure that grants are processed and awarded in a fair and transparent way and that no applicant has an advantage over any other.

8. Scoring criteria:

Full Applications will be assessed using the following criteria:

Question	Applicant guidance / questions to cover	Assessment criteria	Max score	Weighting
<b>Grant Project and Delivery</b> (1,000 words maximum)	Describe the objectives of the proposed grant project Describe your proposed grant project Describe how the project will be implemented and managed	Is the project in scope? Are the project aims and objectives clear and well-structured? Have they explained how they want to spend the funds? Have they provided a plan of work or explained their approach to delivery? Does the application give enough detail to understand the proposed grant project?	10	30
<b>Impact of the grant on your business</b> (500 words maximum)	Select from the dropdown list which CBAF priority / priorities your project will address (see Section 2 above for the list). To what extent will the grant help to mitigate the impacts of COVID on the business and enable sustainable growth? To what extent will the project support the creation of new jobs and/or the safeguarding of existing jobs.	How significant will the impact be on the applicant (based on current situation)? To what extent are they addressing the CBAF priorities of increasing job creation and R&D, product development, new business markets, exporting capacity, supply chain improvements, net zero transition and a more resilient visitor economy.	10	25
<b>Impact of the grant on the wider economy</b>	How will the project impact Cherwell and Oxfordshire? What benefits are there to the local and wider economy?	How significant are the potential impacts on Cherwell? How significant are the impacts on Oxfordshire and the	10	25

<i>(500 words maximum)</i>		wider economy? To what extent do these seem realistic and achievable?		
<b>Value for money / added value</b> <i>(250 words maximum)</i>	Demonstrate how your project offers value for money for the public investment. What is the added value of the investment? What would happen without the grant?	Are all costs supported by a copy of at least one valid quote? If quotes are missing, is there an explanation as to why? Is it clear whether VAT costs are included or not applicable? To what extent does the project offer good value for money? Has match funding been secured and evidenced? Prior to the pandemic, was the business in good financial health? How has the business responded financially to impact of COVID? Are the financial forecasts reasonable? How significant and realistic is the impact of not receiving the grant?	10	20

Applications that pass due diligence checks and are shortlisted will proceed to the CBAF Grant Panel for final review and award decisions. The Panel will focus on assessing the following question:

- *What are the overall benefits and impacts of the project on Cherwell and the wider economy? - How will the project deliver tangible outcomes aligned to accelerating investment to strengthen business performance, providing supply chain resilience, transitioning to net zero, driving technology and innovation adoption and increasing sales and market share in Cherwell? How many impacts have been referenced in the application and how realistic are these?*

Applicants should only offer these outcomes where they are **possible and realistic**.

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## 9. Nature of grant offer

The CBAF Grant Funding Agreement is time limited and will expire 14 days after the date it is issued to the Applicant. It is your responsibility to ensure that the Grant Funding Agreement is signed and returned to the CBAF team within the deadline.

Please note that Grant Funding Agreements will be being sent out in August, it is therefore critical that you provide alternative contact details to the team if your main point of contact is likely to be on annual leave when the Agreements are issued.

Grant Funding Agreements will be sent to successful applicants via Adobe Sign. Adobe Sign will eliminate the need for businesses to print and scan physical pages and will automatically return a copy of the signed document to both the CBAF Team and the business once the signature is complete.

Please note that the Grant Funding Agreement **MUST** be signed by a current Director of the business who is authorised to do so by the company.

## 10. Making your grant claim

Any grant that is approved is only for the purpose stated in the Grant Funding Agreement.

Should the circumstances on which a grant application was based change, you must contact the CBAF Team to discuss before committing to making any payments. This may include, but is not limited to, a change of expected completion date, change of supplier, change to the project value, expected project outcomes, or cancellation of the project. If you are in any doubt, please contact the CBAF Team to discuss.

Grants should be claimed in line with the Expenditure Profile Plan you complete in your application (this will be reflected as a Schedule of your Grant Funding Agreement). Please note that only a maximum of two grant claims are allowed. You should submit a completed claim form (to be supplied) to the CBAF Team on your claim date(s) for review and payment, subject to review and compliance checks.

In any case grant claims cannot be accepted after 31<sup>st</sup> January 2023 in line with our funding requirements.

For all expenditure on your project, you will need to meet the regulatory audit trail requirements including evidence of defrayal (monies leaving your bank account). This would include a copy of any supplier invoice(s) and proof of payment, namely a redacted business bank statement showing the relevant payment(s). Payment of supplier invoices cannot be made by cash or contra arrangements.

## 11. Impact Deliverables

In the Full Application Form, you will need to provide details of any Impact Deliverables (i.e. new products to the firm or market, or employment increase or safeguarding) to be achieved. See Section 2 for the list of potential Impacts you may wish to cite.

Once you have claimed your grant, we will provide you with 'CBAF Impact Declaration Form' which you must use to confirm the details of the impacts achieved.

Applications which offer impact deliverables are likely to score more highly than those which do not. However, you must ensure that any deliverables promised are realistic as these are commitments not aspirations.

If you experience difficulties in creating the impact deliverables as outlined in the Grant Funding Agreement, please contact us at your earliest convenience so that we can understand and discuss the options in relation to the grant payment. Please note that we reserve the right to claim the grant funding back from you if you do not achieve the impact deliverables.

## 12. Asset Register

You will be required to maintain an asset register of all purchases of items over £5,000. We may ask to see this registry at any time and may also visit your premises to verify the purchase(s) and record identification details.

Please be aware that if you dispose of the item(s) before they are fully depreciated, OxLEP reserves the right to reclaim a proportion of the grant.

The detailed information that you will be required to maintain includes:

- Asset name and description;
- Serial or identification number;
- Location of the asset (including post code);
- Purchase price (£) (net recoverable VAT);
- Date of acquisition;

- Approved Use of Asset;
- Legal Registered Owner of Asset;
- Method of Depreciation;
- Date of Depreciation.

### 13. Further Information

In line with the UK's Subsidy Control Commitments, as CBAF grants are awarded under the Domestic Subsidy Allowance for the COVID-19 business support grants, which took effect on 4<sup>th</sup> March 2021, you must sign a declaration setting out any previous *De Minimis* aid or • Small Amounts of Financial Assistance (Special Drawing Rights (SDR)) subsidies you have received or been awarded from all sources. If in doubt, please talk to an appropriate member of your organisation to check before submitting your application form. This may take the form of other grants or business support received in the past.

You must inform us if you receive other public funding towards your project as this will have an impact on the level of grant funding that we can offer.

OxLEP reserves the right to visit you to ensure the grant has been used for the purpose it was intended as stated in the application form and to inspect records to show costs have been incurred by you.

Your grant activity may also be subject to auditors from OxLEP, Oxfordshire County Council (as OxLEP's accountable body), Cherwell District Council, BEIS and the National Audit Office.

### 14. Notes to assist with completing the Application Form

If you have been invited to complete the Application Form, after the pre-qualification questionnaire, you will have received a personal URL link to complete the online form. Information submitted as part of your Expression of Interest has been pre-populated in the Full Application Form for you to streamline the process and avoid any duplication of data.

You will have space to construct your answers based on the questions outlined in the Scoring Criteria above.

For cost items exceeding £5,000 you will be asked to justify why you have selected a specific supplier and how they contribute value for money. We require a formal quote for each item being included in your project requirements.

You will also be required to complete a Declarations section including Subsidy Control Commitments, Insolvency, Conflict of Interests, Sharing Consent and Data Processing.

## 15. Submission

Complete all information required via the online Application Form and attach any supplementary information requested to support your submission. Ensure you have answered all questions as fully as possible. Incomplete submissions will not be considered.

**If you are successful in being awarded a CBAF grant, you will be expected to:**

- Provide all evidence required to process and verify the grant application any subsequent claims.
- Provide all evidence as set out on the 'CBAF Impact Declaration Form' to supply details of any programme outputs achieved as a result of the funding.
- Co-operate, if requested, to promote and publicise success stories in the form of press releases, case studies, Freedom of Information Act requests or other communications unless there are clear reasons not to (for example, confidentiality around commercial issues, intellectual property or patents etc.)
- Participate in any evaluation activities by the CBAF Programme Team, Cherwell District Council and the external evaluator.
- Maintain an asset register of all approved, funded items.

## 16. Contact Us

Please ensure that you read these Guidance Notes plus the supporting FAQs in full, and watch the accompanying webinar, prior to submitting a query. If you still have any outstanding questions having reviewed all the supporting material, please contact us via email at [CBAF@oxfordshirelep.com](mailto:CBAF@oxfordshirelep.com) by 23<sup>rd</sup> May 2022.