



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Bridging the Gap – *Armed Forces Fund*

Technical Guidance for Applicants

October 2015



Contents

1	Introduction	3
1.1	Opportunities for the Solent Economy	3
1.2	SME Funding in the Solent	3
2	The Partners	5
3	The Fund	7
3.1	Capital Investment Fund	7
3.2	Additional Value.....	7
3.3	Activities which can be supported.....	7
3.4	Activities and Sectors which cannot be supported.....	8
3.5	When to Apply	8
3.6	Legal.....	9
4	Eligibility Criteria	11
4.1	Geographical Eligibility	11
4.2	Who Can Apply?.....	11
4.3	Existing Business and Start-Up Business Eligibility	11
4.4	Management Buy-Outs (MBOs).....	11
4.5	Franchises	11
4.6	Creation or Safeguarding of Sustainable Private Sector Jobs	12
4.7	Bid Thresholds.....	12
4.8	Private Sector Investment.....	12
4.9	State Aid	13
5	Other Information	15
5.1	Sector Encouragement	15
5.2	Demographic Focus.....	15
6	Evaluation of Bids	16
6.1	Investment Panel for Consideration of Applications.....	16
7	How to apply	17
7.1	Stage 1 – Expression of Interest (EOI)	17
7.2	Stage 2 – Full Application	17
8	Account Management	18
9	Activity Timetable.....	19
10	Contact Information.....	20

1 Introduction

1.1 Opportunities for the Solent Economy

Enterprise is a key driver of productivity and economic growth. The Solent's business base is diverse from the presence of large multi-nationals to small and medium enterprises (SMEs). We believe that SMEs hold the key to private sector-led, economic growth in the Solent area. It is essential to broaden the business base, fostering start-ups and supporting SME growth. We are also committed to safeguarding SMEs within supply chains, helping them to diversify, to reduce their dependency on the public sector and to strengthen their international trade links.

The Solent also has a long and proud heritage linked to the Armed Forces. Portsmouth Dockyard is home to the Royal Navy and the Solent LEP is committed to supporting economic growth linked to the base as the area gears up to welcome the new QE class carrier, the largest ship ever constructed for the Royal Navy, to the city along with all of the wider supply chain opportunities such a vessel brings with it.

During the past 15 years, defence spending and activity in the UK has been the subject of periodic official appraisals. These have included: *The Strategic Defence and Security Review* (1998), *Delivering Security in a Changing World*, (2003), *Future Capabilities*, (July 2004), *MoD Efficiency Programme*, (2004), *Defence Industrial Strategy* (2005) the 2007 *Naval Base Review* and the Strategic Defence and Security Review (2010). The 2010 Strategic Defence and Security Review (SDSR) required a reduction in the defence budget of around 8 per cent and set out a reshaping programme based on extensive rationalization of the armed forces. The intention was to furnish the UK with smaller but more agile armed forces, supported by enhanced intelligence gathering capability.

Armed forces personnel possess a number of skills and characteristics that are sought after by commercial industry. The skills that the armed forces community can bring to business are a great asset to the Solent area and the Bridging the Gap Armed Forces Fund, and support available through X-Forces, is designed to provide them with the opportunity to start their own firm, or to grow their business, and help increase the number of SMEs trading in the area.

Business support has been delivered by multiple local and national organisations and local firms have expressed difficulty in navigating this fragmented business support landscape, or even are unaware of what support is available to them. In order to simplify this, the Solent LEP has supported the establishment of the Solent Growth Hub; a new service designed to help business by providing a single point of reference for business support and to help business navigate its way through the complexity of growth initiatives.

Further information and contact details are available at: www.solentgrowthhub.co.uk

1.2 SME Funding in the Solent

Solent LEP has been offering grant support to SMEs in the Solent area since 2012 via various iterations of the Bridging the Gap (BTG) fund. Historically, the funding for BTG has been secured by the Solent LEP applying to the Regional Growth Fund (RGF); a £3.2bn fund operating across England from 2011 to 2016. RGF supports projects and programmes that lever private sector investment creating economic growth and sustainable employment. It aims particularly to help those areas and communities currently dependent on the public sector to make the transition to sustainable private sector-led growth

and prosperity. Funding is allocated according to a competitive bidding process with a strong focus on leveraging private sector investment and private sector job creation in the evaluation process.

In August 2014, Solent LEP launched a Solent wide fund with an additional £2m of funding which was awarded in recognition of the “economic shocks” which have impacted upon the Solent LEP sub-region over the last few years.

Most recently, within the Solent Growth Deal, the area has secured a further £1.85m for 2015/16 for the continuation of the fund. This funding will be promoted as **Bridging the Gap - Growth**, and will be focused on businesses who are looking to expand. As the economic recovery continues to gather pace, the Funds will be used to support businesses who can take advantage of this improving position by making capital investments to secure business growth and bring forward job creation.

The fund will be administered with a focus on private sector job creation as a major facet in the evaluation phase of the competitive bidding process. Any applicant to the fund must be able to evidence how they would use the capital investment from the Fund to support sustainable business growth.

2 The Partners

X-Forces

Founded in 2013, X-Forces is a social enterprise dedicated to supporting enterprise and new business in the Armed Forces community. Through close cooperation with government, charities and corporate partners they support the military community throughout England, Wales, Scotland and Northern Ireland. These provisions have also been made available to the British Forces community stationed on bases overseas in Germany and Cyprus.

X-Forces has helped over 440 members of the Armed Forces Community launch businesses. Through business planning support, workshops, events, and access to seed capital X-Forces works with Service leavers, veterans, spouses, families, reservists and cadets who are pursuing enterprise.

Over £4.7 million of funding has been lent to the Armed Forces community from The Start Up Loans Company, facilitated and supported by X-Forces. Ongoing mentoring and a calendar of events are available to the Armed Forces community. For further information please visit: www.x-forces.com.

Solent Local Enterprise Partnership

The Solent Local Enterprise Partnership (Solent LEP) is a partnership organisation between the business community, the further and higher education sector, three unitary authorities, eight district councils and one county council, all of whom are actively working together to secure a more prosperous and sustainable future for the Solent area.

Transforming Solent is our Strategic Economic Plan. It sets out a plan for growth which will see us build on our strengths and plan towards a more ambitious future. We believe that this plan holds the key to successfully growing the Solent economy in the period ahead and will place us on a new growth trajectory. *Transforming Solent* recognises and builds on our current strengths, harnesses the drivers for growth and addresses the barriers which, if not addressed, could constrain growth.

Transforming Solent is underpinned by the Solent LEP's six strategic priorities:

- Supporting new businesses, **enterprise** and ensuring SME survival and growth.
- Enabling **infrastructure** priorities including land assets, transport and housing, reducing flood risk and improving access to superfast broadband.
- Establishing a single **inward investment** model to encourage companies to open new sites in the region, supported by effective marketing.
- Investing in **skills** to establish a sustainable pattern of growth, ensuring local residents are equipped to take up the jobs that are created and businesses can source local skills and labour to underpin growth.
- Developing **strategic sectors** and clusters (interconnected groups and businesses) of marine, aerospace and defence, advanced manufacturing, engineering, transport and logistics businesses,
- Building on our substantial knowledge assets to support **innovation** and build innovative capacity in the Solent area to stimulate growth in Solent businesses and in new high growth sectors, particularly linked to our HE excellence.

For further information on the Solent LEP please visit www.solentlep.org.uk.

Solent Growth Hub

The Solent Growth Hub offers businesses in the Solent LEP area simplified access to a range of information, advice and support services provided nationally, regionally and locally. Helping individuals, organisations and businesses - from start-ups to established operations - to find funding, support initiatives, services and innovation support through University partners that can best help them achieve their growth potential.

The service is free to access. For further information please visit: www.solentgrowthhub.co.uk.

The News

The News is not only the main source of business news and information in Portsmouth and south east Hampshire but also has a track record of delivering successful campaigns. This has most recently been demonstrated in the successful 100 in 100 campaign in which, in partnership with the National Apprenticeship Service, The News placed 100 apprentices with local companies in 100 days. The News also prides itself in being the champion for local businesses. Its annual Business Excellence Awards are now in their ninth year and are used by the newspaper to celebrate all that is good in the business community.

The newspaper and its editor Mark Waldron have also been active partners in the Shaping the Future of Portsmouth initiative, the public and private sector partnership to drive the economic strategy of the city. This has not just been through publicising the work being achieved by the initiative but in helping to set up events and sitting on the 'Shaping' business leaders group and two of the key working parties. Along with its daily business page in the paper, The News also publishes a quarterly magazine, The Business.

The Southern Daily Echo

Through its printed products and on-line presence, the Southern Daily Echo is the prime source of local news, business information, sport, views and opinions for the larger Southampton region. The paper is currently the EBN Campaigning Newspaper of the year following a succession of in-depth features and campaigns. This is the second year in succession it has held the title. The Daily Echo's website – dailyecho.co.uk – is the holder of the EBN Website of the Year title. Several of the paper's editorial staff hold individual award titles, including Journalist of the Year, and Young journalist of the Year.

On the business front the paper and website is essential reading, carrying daily business pages and a monthly Business South magazine made available to the local business community. The paper launched its successful Business South Awards in 2012 and is a media partner to the Hampshire Business Awards. Editor Ian Murray sits on a number of panels and organisations in the community, including judging awards for Hampshire Business Awards. The paper takes a progressive, positive approach to reporting business and other local news, seeking to support the local community and its economy.

Portsmouth City Council

Portsmouth City Council will act as the accountable body for the Bridging the Gap funds on behalf of the Solent LEP and other partners. All funding awards and associated contracts will be with the relevant accountable body.

3 The Fund

The Solent LEP is offering business support funds ring-fenced for the Armed Forces community. Funding can be accessed by individuals to start-up their own businesses, or established SMEs to overcome barriers to growth. Bridging the Gap - Armed Forces (BTG-AF) has a total of £250,000 funding available up to September 2016, and further funding may be made available up to March 2021¹. Details of the Fund are outlined below.

Applicants to the fund must be members of the Armed Forces community. For clarity this includes:

- Service leavers;
- Veterans;
- Spouses;
- Families;
- Reservists;
- Cadets (over 18).

Applicants will have to evidence how their proposal will create or safeguard sustainable private sector jobs, and leverage in additional funding.

3.1 Capital Investment Fund

This fund is a capital fund and is for individuals from the Armed Forces community either looking to start-up their own business, or established SMEs who require capital investment for their project. Applicants will be required to provide a minimum of 80% of the identified project costs for an established SME, or 60% for a start-up business.

3.2 Additional Value

Alongside the funding grants which will be on offer to successful bidders, support has also been secured to offer:

- X-Forces business planning support, workshops, events, mentoring and access to seed capital in the form of loans from The Start Up Loans Company, facilitated and supported by X-Forces;
- Publicity for successful bidders may be available from The News and The Echo;
- Access to the Solent Growth Hub "one stop shop" service, simplifying business support in the Solent area and providing support in preparing your application. The Solent Growth Hub is a service designed to help business by providing a single point of reference for business support and to help business navigate its way through the complexity of growth initiatives.

3.3 Activities which can be supported

There are no preferred activities that funds can be used to support. Funding may be sought for any **capital** investment required to unlock business growth, thereby either creating new private sector jobs, as long as the funding contributes to an overall project which is eligible against the criteria in section 4 of this document.

¹ As set out in the Solent Growth deal published on 7 July 2014

If you are unsure as to whether your project costs can be capitalised, you are advised to seek guidance from your accountant prior to submitting your application.

3.4 Activities and Sectors which cannot be supported

Applications can only be made for new projects seeking capital funding. As such, funding **WILL NOT** be provided to cover businesses existing working capital or revenue costs. For clarity working capital includes items such as salaries, rent, rates, utilities, stock and raw materials.

Please note that the following activities/sectors **CANNOT** be supported under any circumstances by the Fund:

- undertakings active in the fishery and aquaculture sectors;
- activity in the primary production of agricultural products;
- undertakings active in the processing and marketing of agricultural products when the amount of the aid is fixed on the basis of the price or quantity of such products purchased from primary producers or put on the market by the undertakings concerned or when the aid is conditional on being partly or entirely passed on to primary producers;
- aid to export-related activities towards third countries or Member States, namely aid directly linked to the quantities exported, to the establishment and operation of a distribution network or to other current expenditure linked to the export activity;
- aid contingent upon the use of domestic over imported goods;
- undertakings active in the coal sector;
- acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward.

If you require any further information in relation to any of the above points please contact us using the contact information in section 9 of this document.

3.5 When to Apply

BTG-AF is open for business all year round. The Investment Panel (see section 6.1 for details) will meet regularly during the year to make its investment decisions. Whilst the completion of an Expression of Interest form is not mandatory, it is **strongly recommended** that any potential applicant who is unsure of whether their proposal meets the eligibility criteria for the fund completes an EOI form. The EOI will enable the LEP to book you a feedback slot with the LEP team at our next available business support event. The feedback meeting itself will focus on the eligibility and viability of your project and request for funding, based on the information provided in the EOI form. Should you be invited to make a full application, you can use the information on this form as the basis of your full application.

Full Application forms must be submitted by the closing date as published on the Solent LEP website in order to be considered. Any applications received after this time will be considered in the following round.

The Investment Panel will cease to meet as soon as all funding has been allocated. Therefore, applicants are advised to submit their applications at their earliest possible convenience in order to avoid disappointment.

Please note we can only deal with one application from each organisation or individual at any one time.

The process of securing funding from BTG-AF has two broad stages; Expression of Interest and Full Application (see section 7 for more information). Initially, the Solent LEP team will meet with applicants to review Expressions of Interest at an LEP briefing event, and select those that most closely fit with its published investment criteria to move forward into the Full Application development phase.

During the development phase, applicants will develop their Expression of Interest forms into Full Applications and take the first steps in getting their business propositions off the ground. We envisage that the development phase will last a maximum of 12 weeks (the duration will be agreed on a proposal-by-proposal basis).

The Investment Panel will use the information provided in the full application to make a decision as to whether to invest Bridging the Gap funds in a proposal. At the conclusion of the development phase, the Investment Panel will decide which proposals it wishes to support with a conditional funding award.

To assist with the decision making process some applicants may be offered the opportunity to present their proposals to the Investment Panel. This will depend on the value, complexity and risk associated with each proposal.

Please note that supporting a proposal into the development phase is not a guarantee that funds will be awarded from any BTG-AF Fund.

We recognise that some applicants may feel they have well-developed proposals and do not require the time or support offered by the development phase. If this situation applies to you please contact bridgingthegap@solentlep.org.uk for details.

3.6 Legal

If the EU or Government withdraws, varies or substantially amends the running of the Scheme or its financing then funds will not be available and neither the Solent LEP, nor Portsmouth City Council (acting as the Accountable Body for the scheme) will be liable for any costs associated with applications.

Please note that the Solent LEP and Portsmouth City Council accept no liability for any costs incurred in the submission of Expressions of Interest (EOI) or full Application Forms in relation to The Fund under any circumstances.

Please note that payments from The Fund can only be made to business accounts – not direct to the accounts of any individual. For the purpose of the Fund, SMEs are defined under the “SME” definition in Annex I of Commission Regulation (EC) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the common market in application of Articles 107 and 108 of the Treaty (the “General block exemption Regulation”). The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

The definitions of SMEs are summarised in the table overleaf. In addition to the staff headcount ceiling, an enterprise qualifies as an SME if it meets either the turnover ceiling or the balance sheet ceiling, but not necessarily both.

Enterprise category	Headcount	Turnover	or	Balance sheet total
Medium-Sized	< 250	≤ € 50 million		≤ € 43 million
Small	< 50	≤ € 10 million		≤ € 10 million
Micro	< 10	≤ € 2 million		≤ € 2 million

Further information is available from the following web link:

http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf

4 Eligibility Criteria

4.1 Geographical Eligibility

The primary focus of the fund is to support the Armed Forces community by offering grant funding to established SMEs or start-up businesses which are registered in, and creating jobs in, the Solent LEP area. If your registered business address is outside of the Solent LEP area, but your premises are within the Solent LEP area and you are creating jobs within the Solent LEP area, please highlight this on your application form.

The Solent LEP strongly recommends potential applicants check that they are situated in the area eligible for funding **before** applying. The Solent Growth Hub has a useful postcode checking utility available on their website which will confirm whether or not your business location, or proposed business location, is within the Solent LEP area. Please refer to the website at: www.solentgrowthhub.co.uk.

4.2 Who Can Apply?

Applicants to the fund must be members of the Armed Forces community. For clarity this includes:

- Service leavers;
- Veterans;
- Spouses;
- Families;
- Reservists;
- Cadets (over 18).

4.3 Existing Business and Start-Up Business Eligibility

In order to bid for the Fund, your business must qualify as an existing SME as per the criteria in section 3.6 of this document.

If you intend to bid for the Fund as a new Start-Up business, your business must **NOT** have begun trading at the time of submitting your Expression of Interest or Full Application form.

4.4 Management Buy-Outs (MBOs)

Applications from businesses established by means of a management buy-out will only be eligible for consideration if the purpose of the MBO is to secure jobs which are under threat or at risk of redundancy. Clear evidence of this threat must be provided at the time of application.

4.5 Franchises

Applications from businesses established under a franchise will **not** be considered eligible. The process of franchising already confers significant benefits to the franchisee in terms of permitted use of an established brand name, adoption of a tried and tested business model, and in many cases assistance with marketing and reduced start up costs. This fund is seeking to support as diverse an SME base across the Solent area as possible; accordingly franchise applications will not be considered eligible.

4.6 Creation or Safeguarding of Sustainable Private Sector Jobs

Bids will need to demonstrate the creation of new, sustainable private sector full time jobs (for new start up proposals), or the safeguarding of sustainable private sector full time jobs (for existing businesses). For the purposes of this fund, a full time job is one of 30 or more hours a week. Two part time jobs of 15 or more hours a week count as equivalent to one full time job.

Jobs created or safeguarded would need to be **retained for a minimum of two years** after the project is completed.

Safeguarding jobs relates to existing jobs within a business that would otherwise be lost in the next 12 months should the funding not be secured. These jobs will be continued and supported by a new business development.

Please note that, for new Start-Up applicants, the jobs created can include your own position as the self-employed director of the new business.

Bids which demonstrate that they create and/or safeguard a higher number of jobs will be considered stronger. Applicants should also note that the Investment Panel will look closely at the cost per job as part of their consideration of each application. Over the previous rounds of Bridging the Gap, the average cost per job has been in the region of £6,000 of Bridging the Gap funding per job created / safeguarded.

4.7 Bid Thresholds

Bids of between £5,000 and £75,000 will be considered.

The Investment Panel may consider bids above the £75,000 limit, up to a maximum of £100,000, in exceptional circumstances where significant job creation and/or private sector investment can be leveraged. Should you wish to submit a Full Application for an amount over £75,000, you should ensure that you highlight these exceptional circumstances when completing the Expression of Interest form, and discuss your plans with the Solent LEP prior to submitting the Full Application form. Please note that the investment panel will not consider applications for funding above £100,000. If you are looking for funding above this threshold, you may wish to contact the Solent Growth Hub who can advise on the availability of other more appropriate funding streams.

4.8 Private Sector Investment

The amount sought from the BTG-AF fund must contribute to a project alongside **confirmed and secured** private sector investment. Funding leveraged in as private sector investment needs to demonstrate a real stake in the outcome of the project or programme. The expectation will be clear, demonstrable, leverage.

Start-Up bids will need to demonstrate a minimum of 60% private sector contribution. For example, if the overall project cost is £50,000, you would be able to bid for £20,000 from the BTG-AF fund.

Established SME bids will need to demonstrate a minimum of 80% private sector contribution. For example, if the overall project cost is £50,000, you would be able to bid for £10,000 from the BTG-AF fund.

Please note that the percentage contributions detailed above are the minimum level to ensure your bid is eligible. Bids which demonstrate that they can leverage more private sector investment will be stronger.

Contributions of services donated in-kind can qualify as a private sector contribution. However, contributions in-kind, while legitimate, will need to prove additionality; that the in-kind contribution would not materialise without support from the fund to the project.

For state aid purposes, private sector leverage is defined by the eligible costs of the exemption under which you are applying (training, R&D, SME or assisted area). For competitive purposes, this will be judged by the panel. For example, if two projects were in all other ways similar and one had a cash contribution and the other had a contribution labelled as labour and expertise and not monetized, the former would be favoured.

4.9 State Aid

Public funding from The Fund will only be available where it is compatible with EU State aid regulations and applicants should be aware that their proposal will be scrutinised accordingly. Potential applicants should take account of this when considering the development of proposals.

General

The European Commission recognises the key role that SMEs play in the economy, but that they suffer from a number of market failures. SMEs often have difficulties in obtaining capital or loans, given the risk averse nature of certain financial markets and the limited collateral that they may be able to offer. Their limited resources may also restrict their access to information, notably regarding new technology and potential markets. To facilitate the development of the economic activities of SMEs, the Regulation therefore exempts certain categories of aid when they are granted in favour of SMEs.

The European Commission monitors and controls state aid in the EU by requiring member states to notify the Commission in advance of proposed state aid in order to ensure compliance.

There are a few exceptions to the notification requirement, namely:

- if the measure falls within the de minimis regulation ie you are giving less than 200,000 euros over 3 fiscal years
- measures which are covered under a pre-existing and approved scheme
- measures falling within the General Block Exemption regulation

De minimis Aid

De minimis aid is used to describe small amounts of state aid that do not require European Commission approval.

The European Commission considers that public funding which complies with the de minimis regulation has a negligible impact on trade and competition, and does not require notification and approval. The total de minimis aid which can be given to a single recipient is €200,000 over a 3-year fiscal period.

The maximum de minimis funding any single recipient can receive is €200,000 (cash grant equivalent) over a 3-year fiscal period. The sterling equivalent is calculated using the Commission exchange rate applicable on the written date of offer of the de minimis funding.

This ceiling takes into account all public assistance given as de minimis funding over the previous 3 fiscal years and which can take various forms (grants, loans, subsidised contracts, etc). Aid given under an approved scheme does not have to be cumulated with de minimis aid.

There are a few things that should be kept in mind with de minimis aid. As follows:

- De minimis aid cannot be given for export related activities (except attendance at trade fairs), agriculture and fisheries or aid favouring domestic over imported products.
- De minimis aid does not affect the level of state aid that a recipient can receive under any other schemes approved by the Commission, ie it is cumulated only with other de minimis aid.

This programme is funded from the Solent Growth Deal and is designed to ensure the provision of Scheme Grants to “Beneficiaries”, in support of initiatives that meet the objectives of the Solent Growth Deal, in particular in support of the creation of new, sustainable, private sector jobs in the Solent area and the introduction of private sector leverage. Any offer of financial assistance given to a Beneficiary will be made under De-minimis criteria and will be accompanied by a letter addressed to the Beneficiary stating the amount it is for and will include the following statement:

“Under EC regulation 1998/2006 (de minimis aid regulation), the award is a de minimis aid. There is a ceiling of €200,000 for all de minimis aid provided to any one firm over a 3-year period. Any de minimis aid awarded to you under this offer letter will be relevant if you wish to apply, or have applied, for any other de minimis aid. For the purposes of the de minimis regulation, you must keep this letter for 3 years from the date on this letter and produce it on any request by the UK public authorities or the European Commission. (You may need to keep this letter for longer than 3 years for other purposes.)”

Further information in this regard can be found in the updated guidance from Government through the following web links:

<https://www.gov.uk/state-aid>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/325465/bis-14-943-state-aid-general-block-exemption-guidance.pdf

5 Other Information

Please note the below targets which will be considered by the Investment Panel when assessing bids. These are NOT eligibility criteria. Individuals in any business sector, and of any age or gender, may apply to the Bridging the Gap Funds.

5.1 Sector Encouragement

The area has sectoral strengths and there is a need to ensure that the Solent continues to be recognised as a leading regional location and growth hub for advanced manufacturing and engineering (marine, maritime, aerospace, renewable energy, environmental technologies and composites). Bids in these areas are strongly encouraged.

In addition, as the economic recovery gathers pace and a number of stalled construction projects are reinvigorated, we would welcome applications specifically from the construction sector which seek to address identified skills shortages.

5.2 Demographic Focus

Whilst the fund is open to all established, Solent based SMEs and individuals looking to start up business in the Solent area, the LEP will particularly welcome applications from the following demographic groups:

- Young entrepreneurs aged 18 - 24;
- Female entrepreneurs;
- Individuals who have been unemployed for more than six months.

6 Evaluation of Bids

All Funds will be allocated on a competitive basis. Only the best bids will be successful, assessed against the following key measures in relation to one another:

- New private sector job creation, or the safeguarding of private sector jobs at risk;
- Sustainability of private sector jobs created or safeguarded;
- Amount of private sector investment contributed;
- Fit with the published sector focus of the funds (see section 5.1).

Final decisions on the bids to be supported by the Fund will be made by the Investment Panel, the Solent LEP and the Accountable Body for the scheme, Portsmouth City Council.

All Full Applications will be evaluated by an Investment Panel. For projects requesting in excess of £75,000 the Panel will make recommendations to the Solent LEP Funding, Finance and Performance Management Group to inform their decision making process in respect of these bids.

Please note that decisions taken by the Investment Panel in relation to which projects to support, or to recommend for support, are final and there will be no right of appeal.

6.1 Investment Panel for Consideration of Applications

The Panel will draw its authority from the Solent LEP Board. Accordingly, the Chair of the Panel will be the Solent LEP Board lead for Enterprise.

The Panel consists of up to 15 members including the Chair. Membership shall be comprised of:

- Five private sector members - at least one of the private sector members should be a Board Director/Chief Executive/Head of Local Growth/Head of Capital and Infrastructure from the Solent LEP or the Chief Executive of the Solent LEP, and the other four private sector members shall be drawn from the private sector;
- One representative from the Federation of Small Businesses;
- One representative from the commercial banking sector;
- One senior representative from the One Stop Shop delivered by the Solent Growth Hub;
- A nominated senior representative from the Higher Education Institutions based in the Solent LEP area;
- Three senior representatives (including a senior Executive Officer and an Elected Member) from the Local Authorities (of which one must be a City representative) based in the Solent LEP;
- One senior representative from a social enterprise/ voluntary sector;
- One representative from the local media organisations of the area;
- The Chief Finance Officer or their nominated representative from the Accountable body.

The Panel shall hold six meetings annually with other meetings to be called if there are urgent matters to be transacted.

7 How to apply

There is a two stage application process for all Bridging the Gap Funds. This is outlined below. However it is strongly recommended that, before submitting an Expression of Interest form, you ensure that your proposed bid is eligible for the relevant fund against the criteria included in section 4 of this document.

7.1 Stage 1 – Expression of Interest (EOI)

This stage is not mandatory, but is recommended by the Solent LEP in order to help ensure that your project is eligible for consideration. The EOI form can be found online at the following link: http://solentlep.org.uk/regional_growth_fund

The Expression of Interest form will require you to provide an executive summary of your proposed bid. The information you provide in stage 1 will be used to identify bids that do not meet the eligibility criteria or are for projects that are highly unlikely to be supported.

Once completed, you will need to submit your Expression of Interest form electronically to rgf@solentlep.org.uk. Solent LEP will be in touch within five working days to book you a feedback slot with the LEP team at our next available briefing event. The meeting itself will focus on the eligibility and viability of your project and request for funding, based on the information provided in this form. Should you be invited to make a full application, you can use the information on this form as the basis of your full application.

Please note that should you not attend your pre-booked EOI feedback slot, your EOI will not be progressed any further. If you are unable to attend and wish to book a feedback slot on a future event, please contact rgf@solentlep.org.uk.

7.2 Stage 2 – Full Application

Please note that support of an EOI is not a guarantee of funding.

Applicants should note that the full application will require significantly more detailed information than the EOI in order to ensure the most effective evaluation of bids.

Full application forms will need to be submitted electronically to: bridgingthegap@solentlep.org.uk

There will be published closing dates for the submission of applications, and applicants should note that the Investment Panel will cease to meet when all funding is allocated and so it is recommended that bids are submitted as early as possible.

Please note that, if absolutely necessary, the Solent LEP can accept hard copy submissions at both EOI and full bid stage. These can be sent to Solent LEP Office, Ground Floor, 1000 Lakeside, Western Road, Portsmouth, PO6 3EZ. Please note that the Investment Panel will not be obliged to consider applications received after the relevant deadline for a meeting and delays in receiving applications due to the postal service will not be taken into consideration.

8 Account Management

Successful applicants to the Bridging the Gap - Armed Forces Fund will be made a conditional offer of funding once a full proposal has been recommended for Bridging the Gap support by the Business Support Investment Panel, which draws its authority from the Solent LEP Board, and endorsed by the accountable body Portsmouth City Council.

In addition, each successful applicant will then be allocated a designated LEP account manager, who will act as a single point of contact for any Bridging the Gap related enquiries. The account manager will then ensure that due diligence is completed on the bid before applicants are provided with final notification that their bid has been successful.

Successful applicants will be required to provide progress updates to their programme manager via a monitoring spread sheet on a quarterly basis.

Payment of support will be made to an agreed funding profile. Any claim must be accompanied by a monitoring report. The monitoring report will ask beneficiaries to give a short description of progress made on activities that the grant is supporting and progress against agreed outputs. At least once a year, all claims by a beneficiary must be verified by a qualified accountant independent of the beneficiary business, the project and its promoters.

For all successful applicants, a minimum of 15% of their grant will be withheld until the point at which all jobs are created and all project costs defrayed, or the final claim date of 30th September 2016, whichever comes first.

9 Activity Timetable

Activity	Timeframe/Deadline
Fund launch	20 th October 2015
Deadline for submission of Full Applications for the current round	6 th November 2015
Deadline for submission of Full Applications for future rounds	As published on the Solent LEP website
Investment Panel to meet periodically to assess proposals	As published on the Solent LEP website
Notification of panel outcomes to applicants	Within 10 working days of panel meetings
Conditional grant offer letter issued	Within one month of notification of panel outcomes to applicants
Progress reports to be issued to the LEP until the final report deadline	Quarterly
Deadline for final claim payment	30 th September 2016 (Please note that the Solent LEP and Portsmouth City Council will be under no obligation to make payment against claims received after this date)
Deadline for creation of all contracted jobs	30 th September 2017
Deadline for final evaluation report	30 th September 2017
Deadline for final accountants' report	30 th September 2017

10 Contact Information

Should you have any general enquiries on any of the information included in this document, please contact the Solent LEP team using the below contact information:

In writing: Solent LEP
Ground Floor
1000 Lakeside
Western Road
Portsmouth
PO6 3EZ

By email: bridgingthegap@solentlep.org.uk

By telephone: 023 9268 8924

In Association with:





SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP



FORCES
NAVY - ARMY - RAF