



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

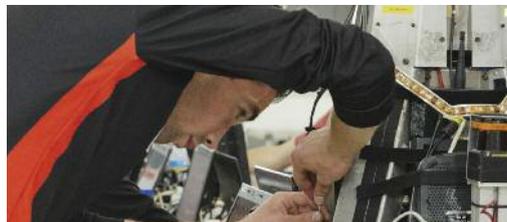


HM Government

Solent Prosperity Fund

Technical Guidance
Existing Business
Support Programme

August 2019



TOGETHER. STRONGER

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1. Executive summary

The Solent area is an internationally-recognised key economic hub comprising the Isle of Wight, the two cities of Portsmouth and Southampton, and a constellation of large towns along the M27 corridor, New Forest and the Solent waterway.

Solent Local Enterprise Partnership (LEP) brings together the private and public sectors to support and drive forward business and economic growth, particularly the development and growth of small and medium sized businesses (SMEs).

In 2018, the LEP launched the Solent Prosperity Fund for both start-up and existing small businesses in the Solent LEP area seeking to grow.

The Solent Prosperity Fund (SPF) is for capital projects that support the Solent economy being fit for the future by helping businesses create better, higher-paying jobs and investing in unlocking new housing, business growth, connecting communities and businesses, developing skills and talent, and supporting our innovation and research pioneers.

There are three types of Funding Support being made available:

- High Growth Start-up Businesses;
- Existing Business support, including the Expansion Fund, Support Fund and Growth Accelerator Programme;
- Large Projects and Programmes

The Existing Business Support Programme aims to provide opportunities for existing SMEs seeking to grow, that can deliver one or more of the following outputs:

- Enabling / unlocking housing delivery;
- SME growth;
- Improved productivity in priority sectors;
- Connecting communities and businesses (digital and transport);
- Employment growth;
- Developing skills and talent;
- Pioneering innovation and research

If you are an existing small to medium sized business seeking to grow in the Solent, employing 10 to 249 people and have a turnover of between £250k and £25m you may be eligible to apply for support under our Growth Accelerator Programme. Any business interested, must first submit an Enquiry Form to the Solent Growth Hub.

This is an open call for projects that can demonstrate a need for business support, including capital funding support, from the Solent LEP and that are high quality and highly deliverable projects. Capital funding is only available for projects able to commence delivery in 2019/20 or 2020/21. Grant and loan funding is available.

The amount of funding sought from the Solent Prosperity Fund must contribute directly to a project alongside confirmed and secured funding and the project must demonstrate that it will bring in additional private sector investment.

2. Background

2.1 The Solent Local Enterprise Partnership

The Solent LEP is the key interface and lead for economic development in the Solent, an area (See map 1, below) that stretches from Hayling Island in the east, to the New Forest in the west, and includes the Isle of Wight and the two cities of Portsmouth and Southampton. The local authority areas covered by the Solent LEP are as follows:

- Isle of Wight
- Portsmouth
- Southampton
- New Forest
- Eastleigh
- Havant
- Fareham
- Gosport

Solent LEP is a partnership organisation between the business community, the Further Education and Higher Education sector, three unitary authorities, five district councils and one county council.

Collectively, these organisations are actively working together to secure a more prosperous and sustainable future for the Solent area, providing the resources and economic environment which makes it easier for businesses and individuals to be productive and where pioneering research is encouraged through support for relevant institutions.

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



2. Background

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2.2 National Economic Policy Context

The government published the Industrial Strategy in November 2017, which sets out how the government propose to create an economy that boosts productivity and earning power throughout the UK by focussing effort on five foundations of productivity (Ideas, People, Infrastructure, Business Environment, and Places). The Solent LEP is responding to this with a Local Industrial Strategy currently in development.

2.3 The Solent Economy and Business Support

The Solent economy generates just over £31 billion of gross value added (GVA). This is up from £25.6 billion in 2010. The SME business base has been a key component in this growth

as illustrated in 2016 when 9,100 new enterprises were 'born' in the Solent LEP area cumulatively, an increase of 69.8% on the number born in 2010. Over the same period the annual rate of enterprise births in the South East increased by 51.6%, falling behind both the Solent LEP area. In addition the Solent LEP area contributed a sizeable 20.5% of the net gain in enterprises recorded in the South East in 2016. These trends have been supported by the LEP's SME programme, which has enabled £10.6 million of grants, supporting 280 businesses, creating and protecting over 1,500 jobs and leveraging a further £37.8 million of funding over recent years.

We are seeking to build on this success and this Fund aims to support SME businesses seeking to grow and/or expand thereby ensuring that they continue to share in and contribute to the prosperity and growth of the Solent Economy.



3. Solent Prosperity Fund: Existing Business Support Programme

3.1 Solent Prosperity Fund - Existing Business Support Programme Overview

The Small Business Acceleration fund aims to provide opportunities for existing small businesses seeking to grow, that can deliver one or more of the following outputs:

- Enabling / unlocking housing delivery;
- SME Growth;
- Improved productivity in priority sectors;
- Connecting communities and businesses (digital and transport);
- Employment growth and /or safeguarding of jobs* ;

- Developing skills and talent;
- Pioneering innovation and research.

This is an open call for projects that can demonstrate a need for either business growth consultancy support and / or capital funding support, from the Solent LEP and that are high quality and highly deliverable projects.

Capital funding is only available for projects able to commence delivery in 2019/20 or 2020/21. Grant and loan funding is available

* Please see sections 9.6 and 9.7 of this document for further information relating to employment.



Gosport firm Tecsew, which makes quality canvasses and canopies for yachts, received support and £37,500 grant aid from the Solent LEP to enable a move to bigger, more suitable premises at nearby Daedalus Park in the Solent Enterprise Zone. Staying local has kept its successful team together and bolstered ambitious growth plans.

4. Eligibility criteria and supporting information

There are three dedicated business support programmes for existing businesses, and these are described in the boxes below.

SME Expansion Fund

A SME Expansion Fund seeks to support micro, small and medium-sized businesses with funding of up to £100,000*. Support is available to help these businesses grow quickly through delivering new processes / products / services, and / or developing new markets.

Definitions of SMEs and the priority sectors are provided in section 9 (Glossary).

The Fund can provide up to 30% of the total project costs, with a capital funding contribution of between £5,000 and £100,000. For example, a project with a total cost of £100,000 would be able to seek up to £30,000 of funding support.

Applicants will need to demonstrate that the project will deliver at least one of the following, which are each defined in section 9 (Glossary):

- Improved Business Productivity
- Developing new products
- Developing new markets
- Direct creation or safeguarding of private sector jobs

Applicants must first submit an Enquiry Form, following receipt of which, a member of the Solent Growth Hub will call you to discuss your proposal.

If your project is considered eligible for funding, you will be provided with a Full Application Form, which you will need to complete and submit. Full applications will be considered for funding by the Solent LEP Business Support Investment Panel.

Your Full Application Form must also identify a senior responsible officer, employed by the applicant businesses, who will be the lead contact for all matters relating to your LEP funding application.

* In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application.

4. Eligibility criteria and supporting information

– Continued

Growth Accelerator Programme

The Growth Accelerator Programme has been designed specifically to support SMEs and help them realise their scale-up ambitions. This programme provides access to a growth coach who will work with your business to help you with your expansion plans and support you in the development of a growth plan for your business.

Businesses on this programme may have the opportunity to access higher levels of capital funding than offered in the SME Expansion Fund, noted above, where eligible, of up to £500,000. All businesses participating in the programme will be provided with an individual action plan, which will signpost wider support that may be available to help realise your ambitions.

Definitions of SMEs and the priority sectors are provided in section 9 (Glossary).

Applicants will need to demonstrate that the project will deliver at least one of the following, which are each defined in section 9 (Glossary):

- Improved Business Productivity
- Developing new products
- Developing new markets
- Direct creation or safeguarding of private sector jobs

Applicants must first submit an Enquiry Form, following receipt of which, a member of the Solent Growth Hub will call you to discuss your business support needs.

If your project is considered eligible for support, you will be provided with a Project Outline Form, which you will need to complete and submit. All eligible projects will receive support to help develop their growth plans through the Growth Accelerator Programme.

For those projects that are being supported by the Growth Accelerator Programme, and which are potentially eligible for Solent LEP funding between £100,000 and £500,000, under this route, a Full Application Form will need to be completed and submitted, prior to consideration for funding support by the Solent LEP Business Support Investment Panel, which will provide advice to the Solent LEP Funding, Finance and Performance Management Group (FFPMG), who will make an investment decision.

Your Full Application Form must also identify a senior responsible officer, employed by the applicant businesses, who will be the lead contact for all matters relating to your LEP funding application.

4. Eligibility criteria and supporting information

– Continued

SME Support Fund

A SME Support Fund seeks to support micro, small and medium-sized businesses with funding of up to £100,000*. Support is available to help businesses which are seeking to adapt to changing trends and challenging conditions, which could include:

- Changing trading conditions arising from BREXIT;
- Consolidation of existing operations in response to changing trends;
- Revision of processes or broadening of market reach to retain activity levels;
- Diversification or adaptation of existing processes and activities;
- Challenges for the retail sector and the changing face of the high street;
- Supporting independent businesses to diversify their offer;
- Relocation of businesses.

Definitions of SMEs and the priority sectors are provided in section 9 (Glossary).

The Fund can provide up to 30% of the total project costs, with a capital funding contribution of between £5,000 and £100,000. For example, a project with a total cost of £100,000 would be able to seek up to £30,000 of funding support.

Applicants will need to demonstrate that the project will deliver at least one of the following, which are each defined in section 9 (Glossary):

- Improved Business Productivity
- Developing new products
- Developing new markets
- Direct creation or safeguarding of private sector jobs

Applicants must first submit an Enquiry Form, following receipt of which, a member of the Solent Growth Hub will call you to discuss your proposal.

If your project is considered eligible for funding, you will be provided with a Full Application Form, which you will need to complete and submit. Full applications will be considered for funding by the Solent LEP Business Support Investment Panel.

Your Full Application Form must also identify a senior responsible officer, employed by the applicant businesses, who will be the lead contact for all matters relating to your LEP funding application.

* In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application.

4. Eligibility criteria and supporting information

– Continued

4.1 Business definition

In order to apply under the Existing Business Support Programme route every applicant must:

- qualify as an SME as per the EU definition in section 9.1 of this Technical Guidance document; and
- have at least one employee.

All applicants are requested to read section 9.1 of this Technical Guidance document to ascertain whether they are eligible to apply.

4.2 Geography

Proposals must be delivered in the Solent LEP area with clear evidence that the direct outputs (i.e. new private sector investment, new direct jobs, etc.) delivered as a result of your project will be located in the Solent LEP area.

The area consists of the local authority areas of the Isle of Wight, Portsmouth, Southampton, New Forest, Eastleigh, Havant, Fareham and Gosport. A map of the Solent LEP area is available [here](#).

The LEP may exceptionally consider applications for projects outside of the Solent LEP area where there is clear evidence that the direct outputs (i.e. new private sector investment, new direct jobs, etc.) will deliver direct productivity and growth outcomes in the Solent LEP area.

4.3 Other Investment

The amount sought from any of this fund must contribute to a project alongside confirmed and secured private sector investment, "Match Funding". Funding leveraged in as private sector investment needs to demonstrate a real stake in the outcome of the project or programme.

Please note that the match funding percentages outlined in this guidance are the minimum level to ensure your bid is eligible. Bids which demonstrate that they can leverage more private sector investment will be considered stronger.

Applications that do not demonstrate that other investment is in place cannot be considered.

4.4 Costs and deliverability

All funding sought must be for capital investment only. Funding is for a maximum of £100,000* and all funds awarded must be fully spent by 31st March 2021. You must be able to demonstrate that you have the resources, expertise and ability to carry out the project within the Fund timescale.

Grant is payable in respect of the gross costs incurred but, where a business is registered for VAT and VAT is recoverable, grant will be paid on the net costs only.

4.5 Franchises

Applications from small businesses under a franchise may not apply. 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 independent businesses.

4.6 Bid Thresholds

This funding route will only consider applications for capital funding of between £5,000 and £100,000*.

* In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application.

4. Eligibility criteria and supporting information

– Continued

4.7 Sectors and activities which cannot be supported

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.

4.8 State Aid

Awards from the Fund will only be made to businesses with proposals which are compatible with EU state aid regulations. Applicants should note that the responsibility for ensuring their application for funding is compliant with state aid legislation is theirs, and they may wish to seek advice accordingly. Applicants should refer to the links below for further general information on state aid:

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

<https://www.gov.uk/government/publications/state-aid-the-basics>

http://ec.europa.eu/competition/state_aid/overview/index_en.html

Projects seeking up to £100,000 will be offered on the basis of de minimis aid.

All funding awarded under this fund must be compatible with EU state aid regulations, and will be offered on the basis of the existing approved schedule of de minimis regulation. De minimis aid refers to small amounts of aid that is unlikely to affect trade and therefore benefit from a 'safe harbour' exemption. The maximum de minimis threshold a single recipient can benefit from is €200,000 over a rolling three-year fiscal period. The sterling equivalent is calculated using the Commission exchange rate applicable on the written date of the offer.

You will be required to verify and demonstrate any de minimis aid your business has received to date, and any business that has reached the total de minimis aid ceiling of €200,000 over a rolling three-year fiscal period will not be eligible to apply for this Fund.

The Department for Business Energy and Industrial Strategy (BEIS) has provided information on state aid on its website <https://www.gov.uk/guidance/state-aid> which may be helpful.

Projects seeking over £100,000 will be offered on the basis of General Block Exemption Regulation (GBER).

All grants awarded under this route over £100,000 will be offered on the basis of the General Block exemption only.

This is because larger funding awards (above €200,000) offered by the Fund may constitute aid that can be offered under the General Block Exemption Regulation (GBER). Unlike the de minimis aid category for the smaller funding awards, the GBER is significantly more complicated, and applicants should refer to the links below for further information:

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

<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1404295693570&uri=CELEX:32014R0651>

All funding awarded under this fund must be compatible with state aid regulations and the onus is on the applicant to secure and provide independent expert state aid opinion as part of their application. **Applications that do not provide this cannot be considered.**

4. Eligibility criteria and supporting information

– Continued

4.9 Governance and Management

All projects seeking funding support will be required to identify a Senior Responsible Officer or lead manager who is accountable for the implementation of the project. This individual must be senior in the organisation and must take personal responsibility for the delivery of the project and should be recognised as the project owner through the business.

All businesses seeking funding support must have in place an effective framework to provide an appropriate level of assurance for their project. Applicants will be required to set out evidence including details of the governance arrangements and key personnel and management of key processes including business planning, investment appraisal, project management, risk management, procurement, and service and contract management as appropriate. Where applications do not provide this evidence, they will be considered ineligible and they cannot be progressed.

4.10 Additionality

Applicants will need to demonstrate clear added value in relation to any project to be funded. This will include demonstrating that without the Fund, the proposal will not come forward at all, or within a timely manner or at a similar scale (sometimes this is referred to as 'deadweight').

4.11 Financial standing

Applicants will be required to undergo a thorough review of their financial standing.

The Solent LEP reserves the right to request additional financial information from any applicant. The Solent LEP also reserves the right to take account of an applicant's track record on investment recovery.

4.12 Equalities Act 2010

In developing applications, applicants must be very mindful of the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics. Consideration of the requirements of the Act should be demonstrated within the full application form.

Further information on Equalities Impact Assessment can be found here:

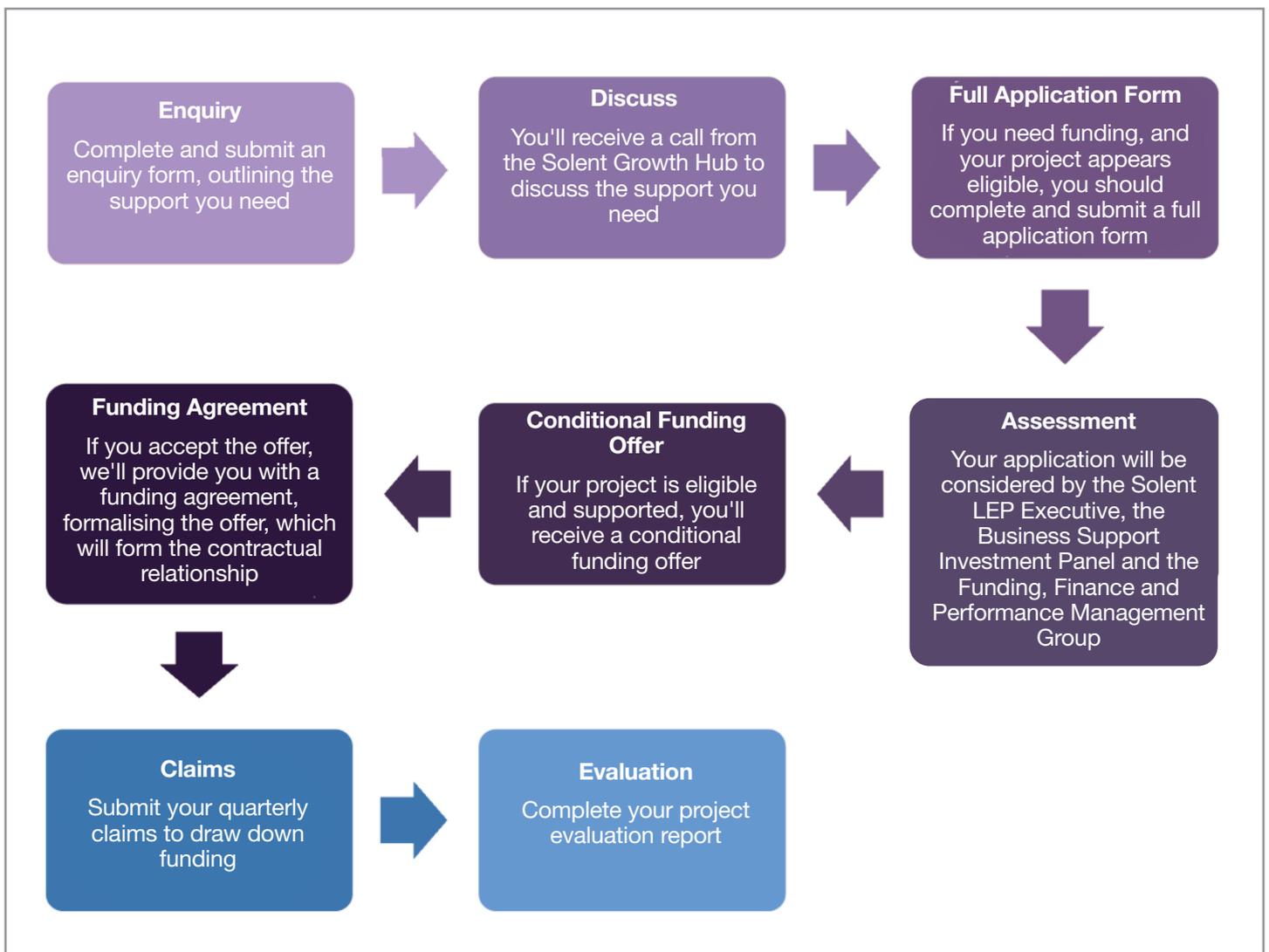
[https://www.portsmouth.gov.uk/ext/the-council/equalities/equality-impact-assessments-\(eia\).aspx](https://www.portsmouth.gov.uk/ext/the-council/equalities/equality-impact-assessments-(eia).aspx)



Isle of Wight fork lift truck specialist Wight Materials Handling found help and support via the Solent Growth Hub to install training simulation equipment at a new purpose-built facility. The Solent LEP granted £25,000 towards the first stage of installation. It was a major boost to productivity and engaging student drivers and operators from both the Island and the mainland.

5. Application, Decision and Funding Process

The diagram below shows the application process through to successful funding award and project evaluation.



5.1 Enquiry

Applicants must first submit an enquiry form, following receipt of which, a member of the Solent Growth Hub will call you to discuss your proposal.

5.2 Discuss

The Solent Growth Hub team will advise on whether submitting a full application is the best course of action, or if there are other, more suitable offers of support for your project. The team will undertake an initial assessment of eligibility against the fund criteria.

5. Application, Decision and Funding Process – Continued

5.3 Full Application Process

If your project is considered eligible for funding, you will need to complete and submit a Full Application Form, which will be considered for funding by the Solent Local Enterprise Partnership Business Support Investment Panel. Full application forms will need to be submitted electronically to funding@solentlep.org.uk

Deadlines for receiving applications and panel dates for decision can be found on our website www.solentlep.org.uk

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

Solent LEP can only discuss the detail of applications with either of the named lead contacts on the application form.

Applications are developed at the risk and cost of the applicant. Submission of an application does not in any way guarantee funding from the Solent LEP for a project and there is no right of appeal.

Applicants will be required to provide evidence that they do have the right skills, resources and expertise to manage the project during the operational phase and post-completion.

5.4 Assessment

The process for assessment of applications is undertaken by the Solent Local Enterprise Partnership Business Support Investment Panel.

All Funds will be allocated on a competitive basis. Only the strongest bids will be successful, assessed against the following key measures, in relation to one another (not all may be relevant for all applications):

Strategic Fit – Fit with the published focus criteria of the fund.

Impact – What outputs will the project create? What is the likely effect on the local economy?

Productivity – The degree to which the proposal supports an increase in productivity in the applicant business through the introduction of new processes / products / services.

Deliverability – Does the applicant have the resources, expertise and ability to carry out the project?

Risk – The degree to which the applicant business has considered, identified and mitigated for project-related risks.

Finances – The current and historical trading position of the applicant business, and the deliverability of associated financial projections.

Timing – That the project and associated outcomes are deliverable within the published timeframes of the fund.

Private Sector Investment – The amount and scale (as a percentage of the total project costs) of private sector investment unlocked by the project.

Additionality – The likely impact of the funding on the speed or scale of outcome delivery and the extent to which the funding could shift economic activity from other areas.

Equality Impact Assessment – The impact of the project on groups with protected characteristics under the Equality Act 2010.

The decision of the Solent LEP Business Support Investment Panel and the Funding, Finance and Performance Management Group is final, and there is no right of appeal.

All submitted full applications for funding will be required to undergo a technical due diligence review. Projects will need to satisfactorily complete the process before funding is awarded subject to contract. There will be three stages to the process:

- **Funding Impact** - The Solent LEP will undertake an appraisal of the extent to which a proposal's benefits will be realised without the funding or the impact of the funding on the speed of delivery of the economic benefits, and the extent to which the funding will shift economic activity from other areas. Projects that can demonstrate a greater impact as a result of an investment from the Fund, will be looked at more favourably.
- **Financial appraisal** - The Solent LEP will not fund projects which would still be funded and be able to proceed on the same timeline without investment from the Solent Prosperity Fund. Applicants must demonstrate the need they have for investment from this fund. The Solent LEP will also provide only the minimum funding required to allow the project to progress. The Solent LEP reserves the right to request additional financial and other supporting information.
- **Financial standing** - Applicants will be required to undergo a thorough review of their financial standing. An assessment of credit worthiness will be undertaken for all applications. The Solent LEP reserves the right to request further information or evidence from any applicant.

5. Application, Decision and Funding Process – Continued

5.5 Conditional Funding Offer

If your project is approved, a conditional funding offer will be sent to you for review. This will include how we will transfer the funding to you and at what stage, and your responsibilities to comply with the contract.

5.6 Funding Agreement

The full funding agreement will be issued for your signature.

It is expected that any organisation securing funding from the LEP will engage with our Enterprise Adviser team to explore opportunities to connect your organisation with schools and colleges in the area to provide young people with effective and high-quality encounters with the world of work.

Enterprise Advisers use their knowledge of the local business landscape to support the headteacher or careers team within schools and colleges to develop an effective careers plan and to create opportunities with their business contacts in the area for their school or college's students.

Further information is available at

<https://solentlep.org.uk/get-involved/become-an-enterprise-adviser>

5.7 Claims

Expenditure for which claims are made must have been defrayed (unless otherwise agreed with the LEP), recorded in the organisations accounts and available for audit. Along with a claim form, you will be asked to submit the invoices you have paid in relation to the project, and proof of payment of those invoices, including a sample of invoices evidenced as being paid from your bank account.

5.8 Monitoring and Evaluation

Monitoring and evaluation are a core component of the Fund, and beneficiaries will be required to provide progress updates through a monitoring report on a quarterly basis for the duration of the project. In addition, all funding claims will also need to be accompanied by a monitoring report.

Beneficiaries will be expected to ensure that their monitoring and evaluation framework can support the wider monitoring and evaluation of the Solent LEP by HM Government. All funded projects will also be required to produce an evaluation plan, which will need to include an evaluation of the LEP funded project and a summary analysis of the outcomes that the project has delivered. Further information will be made available as part of the funding agreement / contracting process.

Where changes have occurred to a project, when compared to the project and its outputs as set out in the original application, beneficiaries will be required to demonstrate that they do not compromise any requirement or associated outputs for the project and will be required to provide evidence of any new changes to their delivery

5.9 Post Project Review

All projects will be required to undertake a post-project review to consider whether the benefits set out in the full application form are being achieved and that the business is running smoothly. The review should:

- Assess whether the justification for the project investment decision was realistic
- Confirm the governance, management and delivery arrangements for the project and ongoing business delivery
- Check that changes, where they have been agreed, do not compromise the delivery of the project outputs as originally envisaged
- Review the achievement of key milestones in relation to the original delivery plan for the project
- Review project expenditure in relation to that forecast in the original delivery plan for the project.
- Review delivery of outputs in relation to the original delivery plan for the project
- Assess the impact of the LEP investment on the business
- Review risk management processes
- Review any publicity generated for the business as a result of the LEP investment.

6. Types of funding

Any request for a grant will be subject to a viability test and need assessment, and evidence will need to be provided to support this. This will determine the type of funding support the LEP may be able to consider.

6.1 Grants

Funding may be sought in the form of a capital grant, alongside confirmed and secured private sector investment.

6.2 Loans

Loans, at market rates will be required to be repaid on a basis agreed during the due diligence stage with a longstop date of March 2021, may be requested. Exceptionally, the LEP may consider a longstop date beyond this, where a proposal will generate high levels of jobs, or leverage significant additional private sector investment. If you intend to provide a longstop date on the basis of exceptional circumstances / outputs, it is strongly recommended that you contact the Solent LEP first in order to discuss this.

For private sector applicants the market interest rate will be calculated using the EC Reference Rate, plus a margin calculated on the basis of an assessment, by the Solent LEP as part of the due diligence process, of creditworthiness and collateralisation. An interest rate matrix using the latest EC Reference Rate, is published separately, and is set out below.

If the funding is for a solely commercial venture that does not fall within a permitted activity as set out within State Aid legislation, then a commercial interest rate will apply. This would be calculated as would a loan to a private sector applicant as set out below.

In order to avoid direct arrangements with projects constituting a State Aid, the Solent LEP (in common with most other LEPs) has decided that a commercial rate of interest will be payable on any loans provided to the private sector. Interest rates will be calculated using the EC Reference Rate plus a margin calculated on the basis of an assessment by the Solent LEP and Portsmouth City Council, as part of the due diligence process, of creditworthiness and collateralisation.

Interest rates are assessed using European Commission guidance as set out in the Communication which can be found at

http://ec.europa.eu/competition/state_aid/legislation/reference_rates.html

Applicants should refer to the link above for the latest rate, as this is subject to change. This rate is then increased by a margin (to reflect the creditworthiness of the borrower and the level of collateral offered).

A summary matrix outlining these margins is included below:

Rating Category	Collateralisation		
	High	Normal	Low
Strong (AAA-A)	0.6%	0.75%	1%
Good (BBB)	0.75%	1%	2.2%
Satisfactory (BB)	1%	2.2%	4%
Weak (B)	2.2%	4%	6.5%
Bad / Financial Difficulties (CCC and below)	4%	6.5%	10%

Full information in relation to the margin increases applied is available at:

http://ec.europa.eu/competition/state_aid/legislation/compilation/h_10_07_09_en.pdf

Assessment of interest rates will be carried out by the Solent LEP and Portsmouth City Council as part of the due diligence process and decisions made are final.

Loans must be repaid on a basis agreed during the due diligence stage. Ordinarily the longstop date will be expected to be within a period of five years. Exceptionally, the Panel may consider a longstop date beyond this where a proposal will generate high levels of jobs, housing or leverage significant additional private sector investment.

If you intend to provide a longstop date on the basis of exceptional circumstances / outputs, it is strongly recommended that you contact the Solent LEP first in order to discuss this.

6. Types of funding

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6.3 General Information

The amount and type of funding ultimately offered to any project will reflect the Solent LEP's assessment of the minimum support needed for the project to proceed and the level of risk involved. The Solent LEP and Portsmouth City Council as Accountable Body for the Fund may require security in the form of charges against assets or future asset values in order to satisfy the due diligence process.

The Solent LEP needs to satisfy Portsmouth City Council as Accountable Body for the Fund about the project and assistance meeting State Aid regulations. This will also be part of the due diligence process (see below). Portsmouth City Council, as Accountable Body for the Solent Prosperity Fund, will enter into all funding agreements on behalf of the Solent LEP. The Solent LEP's liability will always be limited to the value of its agreed investment.



7. Activity Timetable

This Fund originally launched in August 2018. The Fund will remain open until all funding is awarded, and will broadly accept and consider applications on a bi-monthly basis.

Activity	Timeframe / Deadline
Re-launch of Solent Prosperity Fund	August 2019
Round Five	
Deadline for submission of applications	27 September 2019
BSIP meeting to consider applications	14 November 2019
FFPMG meeting to consider recommendations from BSIP for applications seeking more than £100,000 of LEP Funding	Date to be published separately
Round Six	
Deadline for submission of applications	25 October 2019
BSIP meeting to consider applications	12 December 2019
FFPMG meeting to consider recommendations from BSIP for applications seeking more than £100,000 of LEP Funding	Date to be published separately
Notification of BSIP outcomes to applicants	Within 10 working days
Conditional funding offer letter issued	Within 30 working days
Progress reports to be issued to the LEP until the final report deadline	Quarterly for the duration of the project
Fund closes for final applications	30 September 2020
Deadline for creation of all contracted project outputs	31 March 2021
Deadline for final claim submission	15 April 2021*
Deadline for final evaluation report submission	15 April 2021
Deadline for final accountants report	15 April 2021

BSIP is the Business Support Investment Panel which considers all funding applications from SMEs.

*Please note that the Solent LEP and Portsmouth City Council will be under no obligation to make payment against claims received after this date.

No expenditure incurred after 31st March 2021 will be eligible to claim grant funding against.

Further deadlines for 2020 will be published in the autumn of 2019

8. Contact Information

Should you have any questions in relation to the content of this document
please contact the Solent Growth Hub on:

Email: **enquiries@solentlep.org.uk**

Telephone: **023 9268 8055**

9. Glossary

9.1 Small and Medium Sized Enterprise (SME)

In order to apply under the High Growth Start-up Businesses route, a business must qualify as an SME as per the EU definition and have at least one employee as summarised in the text and table below, extracted from the European Commission's User Guide to the SME Definition. Visit https://ec.europa.eu/regional_policy/sources/conferences/state-aid/sme/smedefinitionguide_en.pdf

Step 1 - Am I an enterprise?

The first step to qualify as an SME is to be considered an enterprise.

According to the definition, an enterprise is 'any entity engaged in an economic activity, irrespective of its legal form'. This wording reflects the terminology used by the European Court of Justice in its judgments.

It is the economic activity that is the determining factor, not the legal form.

In practice, this means that the self-employed, family firms, partnerships and associations or any other entity that is regularly engaged in an economic activity may be considered as enterprises.

An economic activity is usually seen as 'the sale of products or services at a given price, on a given/direct market'.

In addition, in order to access LEP funding the business must have at least one employee (who could be the owner) who will take on the role of project manager for the funding. Furthermore, the owner or business must be recognised in law as an entity that can enter into and agree a funding contract with Solent LEP.

Step 2 - Which criteria need to be checked and what are the thresholds?

The SME Definition takes into account the following three criteria:

- staff headcount;
- annual turnover;

- annual balance sheet total.

The category of micro, small and medium-sized enterprises consists of enterprises which:

- employ fewer than 250 persons;
- have either an annual turnover not exceeding EUR 50m or an annual balance sheet total not exceeding EUR 43m.

Meeting the staff headcount criterion is mandatory in order to be considered an SME, and for the purposes of Solent LEP funding, micro businesses must employ at least one person to be considered eligible for funding.

An enterprise may choose to meet either the turnover or the balance sheet total ceiling. It does not need to satisfy both requirements and may exceed one of them without impact on its SME status.

The definition offers the above choice since, by their nature, enterprises in the trade and distribution sectors have higher turnover figures than those in manufacturing. Providing an option between this criterion and the balance sheet total, which reflects the overall wealth of an enterprise, ensures that SMEs engaged in different types of economic activity are treated fairly.

By comparing its data with the thresholds for the three criteria, an enterprise can determine whether it is a micro, small or medium-sized enterprise.

- Micro-enterprises are defined as enterprises that employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed EUR 2 million. Additionally, for the purposes of Solent LEP funding, micro businesses must employ at least one person to be considered eligible for funding.
- Small enterprises are defined as enterprises that employ between 10 and 49 persons and whose annual turnover or annual balance sheet total does not exceed EUR 10 million.
- Medium-sized enterprises are defined as enterprises that employ between 50 and 249 persons and either have an annual turnover that does not exceed EUR 50 million, or an annual balance sheet not exceeding EUR 43 million.

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/growth/smes/business-friendly-environment/sme-definition_en

9. Glossary – Continued

9.2 Sector Focus

The Solent LEP area has a diverse economy, but does exhibit significant sectoral strengths. Bids from SMEs which are directly operating within the sectors below will be prioritised:

- Marine and maritime;
- Advanced manufacturing (including photonics and advanced materials);
- Aerospace;
- Defence;
- Life sciences and healthcare;
- Digital technologies;
- Digital creative industries;
- Oil and gas;
- Information economy;
- Construction;
- Clean / Green technology;
- Creative and cultural;
- Rural economy;
- Tourism and visitor economy.

9.3 Developing New Products / Services

It is recognised that some businesses may have identified new opportunities to introduce new products / services to existing markets or new markets. Businesses who are seeking funding to support new product / service development should explain the nature of the products /

services they are seeking to develop, and quantify (as best as possible) the scale of the new market opportunities that will be accessed, setting out the measures the business will undertake to develop the opportunity.

9.4 Developing New Markets

Following the EU referendum outcome, it is recognised that whilst there are short term opportunities to trade overseas, supported by a fall in the value of Sterling, in the medium to longer term businesses in the UK will need to consider new and different international trade markets. Businesses who are seeking funding to support trading activity should explain the nature of the market they are seeking to develop, and quantify (as best as possible) the scale of that market, setting out the measures the business will undertake to develop the opportunity.

9.5 Employment Growth

Businesses are encouraged to demonstrate the direct creation of new or safeguarding of existing, sustainable private sector full-time jobs. For the purposes of this fund, a full-time job is one of 36 or more hours a week. Two part-time jobs of 18 or more hours a week count as equivalent to one full-time job. Please note that only staff employed by, and on the payroll of, the applicant business will be considered as eligible.

Any jobs safeguarded must be equivalent full-time employees on the payroll of the applicant businesses whose positions are genuinely at risk and, if funding is not secured, would most likely be lost within the following 12 months.

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

Bids which demonstrate that they create a higher number of new jobs directly 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 Solent LEP business support funds, the average cost per job has been in the region of £6,000 of Solent LEP funding per job created. It is recognised that in some technical areas of activity the cost per job will be higher.

9.6 Direct Jobs

Further to the definition at section 9.6, all applicants should note that any jobs to be created as part of an application to the Fund must be directly employed by, and on the payroll of, the applicant business.



10. Sample Application Form

The Solent Local Enterprise Partnership (LEP) is an organisation that brings business, education and the public sector together in order to drive economic growth and job creation in the region.

The Solent Prosperity Fund (SPF) is for capital projects that support the Solent economy being fit for the future by helping businesses create better, higher-paying jobs and investing in unlocking new housing, business growth, connecting communities and businesses, developing skills and talent, and supporting our innovation and research pioneers.

This financial support is specifically to support existing businesses who are seeking funding to deliver a project to deliver high growth to their business. The project needs to be delivered by 31st March 2021.

All applicants must read the Solent Prosperity Fund: Support Programme for Existing Businesses Technical Guidance in advance of completing this template. A full glossary of terms with explanatory notes relating to specific questions is provided at the end of the form.

Key information applicants should note:

- We can only provide capital funding (NOT for working capital or revenue costs);

- The minimum capital bid is £5,000;
- The maximum capital bid threshold is £100,000
- Projects must:
 - Be delivered in the Solent LEP area;
 - Have all necessary consents in place;
 - Have a detailed management framework in place;
 - Demonstrate necessity for funding;
 - Be EU State Aid (or other) compliant;
 - Develop business growth and/or create employment.
- A maximum contribution of 30% of total project costs (subject to state aid) can be provided, alongside confirmed and secured private sector investment, that is already in place.

Application Template forms will be assessed for eligibility by the Solent LEP and our accountable body, Portsmouth City Council and, if eligible, it will then be considered for funding by the Solent LEP Business Support and Investment Panel.

A list of additional documentation that is also required is provided in section C5, which includes the provision of a detailed project business plan.

In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application. Please refer to the fund Technical Guidance for further information.

Data Protection

This application form contains information that is personal data for the purposes of the Data Protection Act 1998 and The General Data Protection Regulation (GDPR) (Regulation (EU) 2016/679) and in respect of which the LEP and its Accountable Body are obliged to supply the following information:

The personal data that you have provided will be used for the purpose of administering this application to the LEP. It may be given to any relevant agency, internal or government department for this purpose and will not be disclosed to any other organisation for any other purpose other than in relation to cases of suspected fraud or where there is a statutory requirement for disclosure.

The Solent LEP would like to keep a record of your contact details and will send you further information, notify you of further opportunities and invite you to events organised by the Solent LEP. Your personal and business information will remain confidential and not be distributed to any third party organisation without your explicit consent. You can read the full details on our Privacy Statement at the following link to our website.

Visit <https://solentlep.org.uk/data-protection-privacy-notice>

If you wish to be contacted by the Solent LEP for purposes other than this bid, please indicate this here by ticking the box:

Confidentiality

It is the intention of the Solent LEP to be as open and transparent as possible in administering public funding. As such, the Solent LEP will publish the details of all applications that are awarded public funding in this process. However, we are aware that certain information contained in your application will be commercial in nature. If there is any information provided in this application form which should NOT be published in the event of a successful funding award, please state question numbers here:

In addition, please will you provide a supporting statement on why these sections are confidential, in the box below, and confirm that you are happy for us to share with the Business Support Investment Panel; our accountable body, Portsmouth City Council; our Funding, Finance and Performance Management Group, and the LEP Board. These are the advisory / decision making panels set out in the Solent Prosperity Fund Technical Guidance. They too are bound by our Data Protection rules.

I confirm that I/we are happy for you to share with the Business Support Investment Panel; the accountable body, Portsmouth City Council; the Funding, Finance and Performance Management Group, and the LEP Board.

Yes

No

Declaration

The below declaration is an essential part of the application template and must be completed by all applicants. Failure to complete the declaration will mean that your application cannot be progressed.

A	Have you previously applied for any Solent LEP funding?	Yes		No	
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If yes, please fill in the table below with all the details of your previous application(s): If no, please go to question B.

LEP Fund Name	Applicant Name	Business / Organisation Name	Date of Application	Funding awarded (Yes or No)

B	I have read and understood the information in the relevant Fund Technical Guidance document and, to the best of my knowledge, I am eligible to apply.	
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C	I declare that the information I provide in this form is, to the best of my knowledge, correct.	
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D	I understand that answers may be used in response to Freedom of Information Act 2000 requests and these will be released pending further consultation with me.	
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E	I understand that, if successful, my application may be made public with the exception of any information I have indicated as commercial in confidence.	
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F	I understand that decisions in relation to my application are final and there is no right of appeal.	
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G	I declare that the information I have entered on this application form and submit in the accompanying documentation is correct to the best of my knowledge and belief.	
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Applicant Name	
Applicant Signature	
Date of application submission	

A Eligibility Criteria

Applicants must first complete the below eligibility criteria. Further information on the eligibility criteria is provided in the **Explanatory Notes** section at the back of this form and also in sections 5 and 6 of the [Technical Guidance](#).

Where you believe a question does not apply to you, please state (NA - Not applicable).

A1	Eligibility Criteria	Yes	No
a.	Is your project located in or will deliver one or more outputs in the Solent LEP area?		
b.	Are you seeking capital grant funding of between £5,000 and £100,000 ¹ ?		
c.	Are you seeking capital loan funding of between £5,000 and £100,000 ² ?		
d.	With the exception of the contribution you are seeking from the LEP, do you have all other funds securely in place and can you provide evidence of this?		
e.	Will your project deliver at least one of the following? <ul style="list-style-type: none"> • Development of new processes, products or services that will increase the productivity of your business? • Development of new markets or • Direct creation of new private sector jobs 		
f.	Is the business registered with Companies House?		
g.	Has your business been trading for at least 2 years?		
h.	Does your business comply with the EU SME definition?		
i.	Does your business have at least one employee?		
j.	Can you confirm that you are NOT seeking funding to acquire or buy out a business or to purchase a franchise?		
k.	Have you considered whether the funding you are seeking complies with relevant State Aid regulations and are you able to provide a written statement of this compliance?		
l.	Will your project commence delivery before 31 st March 2020 and be capable of spending all funds awarded before 31 st March 2021?		

¹ In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application. Please refer to the fund Technical Guidance for further information.

² In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application. Please refer to the fund Technical Guidance for further information.

A2	Additional Information essential to your application	Yes	No
a.	Have you considered the risks that might impact upon the successful delivery of your project and have you provided details of these risks and how you will manage them? Q C4.d		
b.	Have you provided at least 5 milestones which encompass key stages in project delivery and when you expect these to be achieved? Q C4a		
c.	Have you provided job specifications for all new positions?		
d.	Have you provided a breakdown of project costings (QC1.a)		
e.	Have you provided 3 years' worth of financial projections for the new business including cash flow forecasts, predicted turnover and profitability that demonstrate the potential for the business to grow quickly?		
f.	Have you provided 3 years of audited accounts?		
g.	Do you have adequate management capacity and effective governance arrangements in place to ensure the project will be robustly managed and have you provided evidence of this in the form of a management structure?		
h.	Have you provided information about your company - history, location, trading, sectors, subsidiaries etc.? QB.1.g		
i.	Are you able to demonstrate that all relevant statutory consents are in place that you will need to deliver the project?		

B Project Summary and Funding Profile

B1	Applicant Details and Organisation Information	
a.	Full Project Title	
b.	Project location/address/map location	
c.	Applicant business name	
d.	Postal address of the business (if different from location of project)	
e.	Company Registration number	
f.	Trading name where applicable and different to above	
g.	The background to the business - how it began, the main business activities, the market it operates in and what sets your business apart from the competition.	
h.	Applicant name	
i.	Lead Contact for Project	
j.	Lead Contact e-mail address	
k.	Lead Contact phone number	
l.	Senior Responsible Officer or project manager name	
m.	Senior Responsible Officer or project manager e-mail	
n.	Position of Senior Responsible Person or project manager	
o.	The number of employees in the current business in Full Time Equivalents (FTEs)	
p.	Main business activity, i.e. the Industry Sector that the business will operate in	
q.	SIC code	
r.	Business Structure Legal Entity	
s.	Is the applicant organisation an autonomous, partner or linked enterprise? Please provide details of any linked or partner enterprises, e.g. any subsidiaries or parent company.	
t.	Business ownership details with names of directors, shareholders as applicable.	

B2. Project description and Funding Request Summary

a.	<p>Provide a brief description of the project (500 words)</p> <p>Your description should make it very clear what the project is, what any LEP funding will pay for, and what outputs and economic benefits the project will create.</p>	
b.	Are you requesting a grant or a loan?	
c.	Provide the Total Project Cost in £ and date of these prices.	
d.	Provide the total amount of funding sought from the LEP in £	
e.	What proportion of Total Project Cost is the LEP funding request? (see explanatory note)	
f.	Why do you need this amount?	
g.	How much Match Funding in £ is available?	
h.	List the sources of Match Funding	
i.	Is each item of match funding now confirmed? If yes, please attach evidence	
j.	How many new permanent jobs in FTE do you expect to be created as a direct result of this project?	
k.	Will your project safeguard any existing permanent FTE jobs that are currently at risk of being lost within 12 months? If so, how many FTE?	
l.	Please provide details of the specific jobs that will be safeguarded as a result of the project.	
m.	What alternative funding plan do you have in the absence of support from this Solent LEP fund?	
n.	Have you received any previous funding support from other public sector grants (including value of funds received or any other current live bids) to support this project?	
o.	When does the project start?	
p.	When will your project complete?	
q.	Over what period will the LEP funds be spent or defrayed?	

r.	Have you established the State Aid position of your proposal in relation to public funding that you may have received over the past 3 years? Please provide information to demonstrate this and if you have received independent expert state aid advice, please submit details of this opinion.	
s.	Are you clear who your customers will be and the scale of demand for what your project will provide?	
t.	Please describe your main market and customers. Have you undertaken research into the market that your project will operate in and the demand for what your project will provide? What experience do you have of these markets? Will the project enable you to develop new markets for your products or services?	
u.	Have you undertaken any research to understand competing supply for your business services or products in the local area? Please provide details of your key competitors and any unique selling points you may have.	

SAMPLE

Detailed Application Information

C1 Financial Case

C1.a. Details of the project cost breakdown in £: (see explanatory note)

Capital Cost Component	2019/20					2020/21	Total all years
	Q1	Q2	Q3	Q4	Total		
<i>(add further rows as necessary)</i>							
Total capital costs							

C1.b. Details of the funding profile:

Funding	2019/20					2020/21	Total all years
	Q1	Q2	Q3	Q4	Total		
LEP Funding Required (Capital)							
Local Contribution (Capital)							
<i>(add further rows as necessary)</i>							
Total funding							

C1.c. What will the funding be used for :	
LEP funding	
Item description	Item Cost (£)
<i>(add further rows for each LEP funded item as necessary)</i>	
	Sub-total (£)
Other Funding	
Item description	Item Cost (£)
<i>(add further rows for each Other funded item as necessary)</i>	
	Sub-total (£)
	Total Cost (£)

C1.d.	How will any cost overruns be dealt with? LEP funding is capped and additional funding will not be available to cover cost over runs. (see explanatory note)

C2 Economic Case

C2.a. Provide details of outcomes from the project. These can include a range of measures such as Jobs Created, Jobs Safeguarded, Business floor space created, , Skills qualifications, Apprenticeships., Add rows as necessary (see explanatory note)

Measure	Q1 Apr-Jun	Q2 Jul-Sep	Q3 Oct-Dec	Q4 Jan-Mar	Total 2019/20	2020/21	2021/22	Total all years
Additional direct jobs created as part of the scheme								
Jobs safeguarded: Jobs that will be lost in the absence of funding								
Indirect jobs created as a result of the project								
Annual turnover created or increased (£)								
Improved business productivity (e.g. units produced or net sales / turnover per hours labour or staff member)								
<i>(add further rows as necessary)</i>								

C2.b. Please provide a basis and explanation for these output numbers

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C2.c.	Please set out any presumptions you have made when predicting the benefits that the funding will facilitate through the project. Please note that outcomes that would have occurred without the intervention are classed as 'deadweight' and not eligible. Outputs and benefits that result from reductions in economic activity elsewhere will not be eligible. Applications that will involve a business substituting one activity for another are also not eligible. (see explanatory note)
C2.d	How likely is the project to go ahead should your application for funding prove unsuccessful? Would it not go ahead at all, or would it progress at a slower rate? (e.g. impact on timeframes, scale, job creation etc.)
C2.e.	Describe any other wider positive impacts to the economy (e.g. environmental impacts, social impacts, supply chain linkages, local business support, skills) (250 words)
C2.f.	Provide details of any negative impact that has been considered. Include any mitigation measures that may have been considered to address these.
C2.g.	What are the impacts of your project on specific groups and how have these been assessed? (max 150 words)

C3	Commercial Case
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C3.a.	Provide details of procurement or commissioning route chosen and the reason for the choice? (Max 200 words) . (see explanatory note)
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C3.b.	Provide details of key suppliers to the project and confirm your knowledge of these suppliers and whether you have worked with them previously.
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C4	Management Case
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C4.a. Details of the Project Plan. Please provide details of several key project milestones that will enable the project to be monitored effectively

Project Milestones/Key Stages	Description	Target Date

C4.b.	Provide details of the management structure. Indicate skills capability and management experience to deliver the Project Plan (200 words).
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C4.c Summary of all statutory consent and legal agreements required to deliver the project, including status as obtained or pending.

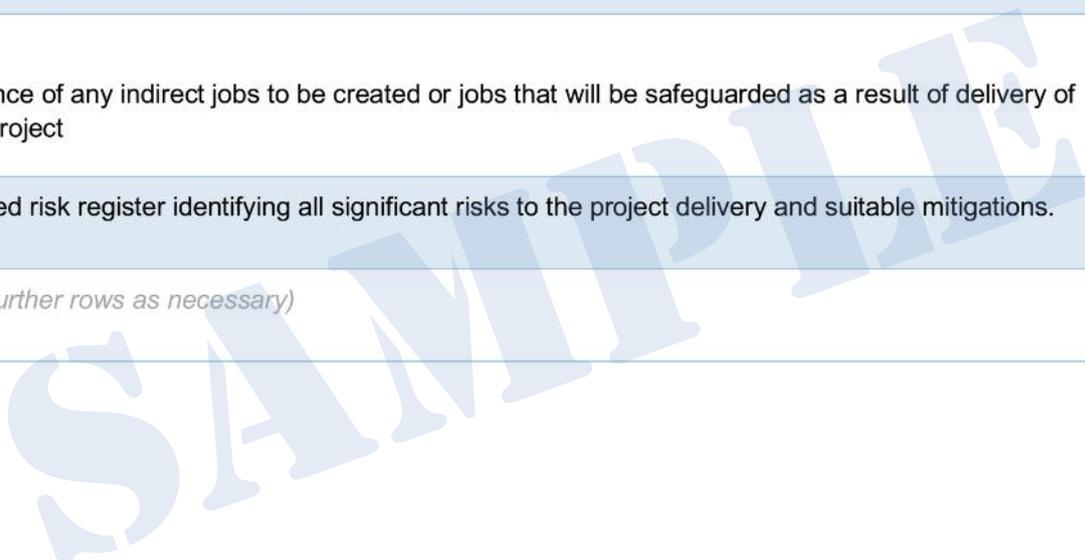
Statutory Power/ Consent	Description	Date acquired	Details of any other conditions attached or other comments. Provide evidence where applicable.
E.g. Planning permission, listed building consent, land agreement, building regs.			
<i>(add further rows as necessary)</i>			

C4.d Please summarise the risks to the project delivery and their proposed mitigations. It is important to take time considering as many risks as possible at this stage.

Risk	Likelihood	Impact	Mitigation measures
<i>(add further rows as necessary)</i>			

C5	Additional information required
Documentation	✓
<p>Detailed project business plan which identifies high growth outcomes for the business start-up. This should include; details of the product or service you are developing, need and justification, competitor analysis, number of employees, marketing and exit strategies and a Gantt Chart showing key milestones, outputs and financial claims</p>	
<p>Financial forecasts for the first three years of the project, with cash flow forecasts. Sales forecasts must be supported by narrative, evidence and details of projected customer base.</p>	
<p>Evidence that the project can cash flow expenditure in arrears – bank statements with positive balance, overdraft/credit/loan facility etc.</p>	
<p>Forecast profit and loss and forecast balance sheet for three years for the business specifically identifying Gross profit, Direct labour costs and Indirect materials and services</p>	
<p>Last three years audited accounts(all pages including title and notes pages)</p>	
<p>Evidence of private match funding, i.e. letters with ink signature, bank statements and copies of loan agreements with numbers.</p>	
<p>Evidence that your proposal is compliant with EU State aid regulations and an independent expert state aid letter confirming State Aid compliance if required</p>	
<p>Full cost breakdown</p>	
<p>Details of your approach to the procurement of products, services or works, including:</p> <ul style="list-style-type: none"> • Procurement route or contracting approach • Suppliers/contractors considered and approached for quotes; • Evidence of quotes and/or tendered prices • Reason for selection to ensure value for money • Selection process and experience of working with these suppliers previously 	

Evidence of consents and/or timeline to secure them; e.g. planning consent, building regulations approval, environmental consents, licences, landlord's consent etc., as applicable to the project	
Letters of support	
Governance and project management structure for the project, including CVs of management and details of experience. Evidence must be submitted of the governance arrangements and key personnel and management of key processes including business planning, project management, risk management, procurement and service and contract management as appropriate.	
Details of the new jobs to be created including job specifications of the new roles	
Evidence of any indirect jobs to be created or jobs that will be safeguarded as a result of delivery of your project	
Detailed risk register identifying all significant risks to the project delivery and suitable mitigations.	
<i>(add further rows as necessary)</i>	



Glossary of terms and explanatory notes

Glossary of terms	
Capital funding	Capital expenditure means funds used to purchase, improve or maintain assets such as fixtures and fittings, equipment etc. The fund cannot be used to pay for 'working capital' or revenue costs, such as salaries, rent, rates, utilities, stock items or raw materials.
Solent LEP area	The Solent LEP area includes the local authority areas of Eastleigh BC, Fareham BC, Gosport BC, Havant BC, Isle of Wight Council, New Forest DC, Portsmouth City Council and Southampton City Council. A map of the Solent area can be found at www.solentlep.org.uk
Small or Medium sized business (SME)	A SME is defined by the European Commission as a business enterprise that employs fewer than 250 persons and has either an annual turnover below €50m (approx. £43m) or balance sheet below €43m (approx. £37m). Further information can be found here
Relevant consents	You must be able to confirm that all consents, such as planning consents, building regulations approvals, licences etc. are all in place or have been suitably progressed at the time of application. We need to be assured that the application we are considering for funding is able to go ahead without delay or uncertainty about approvals being granted.
Management arrangements	We need to be assured that there is a responsible person / manager to take lead responsibility for delivering the project activity required to establish the new business, deliver project activity, manage risks and procure and manage service and contract management as appropriate. You will be required to identify a senior person or manager who will be accountable for implementing the project and reporting progress and recognised as the owner through the business.
Dependent on funding	You must be able to explain the value that the funding will deliver to the project. You must demonstrate that the proposal will not happen at all, or not within the right time-frame or at the necessary scale, unless our funding is secured.
State Aid compliance	State Aid rules apply to any state funding or similar benefit that has been given to a business by a public body and are designed to ensure fair competition for UK firms. There are limits to the amount of funding that can be given to recipients over a 3-year period, so if you have previously received some sort of advantage or grant from a public body, you should seek guidance as to

Glossary of terms	
	application for funding is compliant with relevant state aid legislation.
Project Business Plan	<p>Your application will need to be accompanied by a business plan which explains how the funding will be used to create a high growth business start-up. This should include;</p> <ul style="list-style-type: none"> • details of the business • the product or service that the business will sell • evidence of the need and justification for seeking funding • evidence of demand and market for the proposed product or service • evidence of competitor analysis • number of employees • marketing and exit strategies • Gantt Chart showing key milestones, outputs and financial claims
Priority Sector	<p>The Solent LEP has identified sectors that are particular strengths and that it wishes to prioritise support for. Your business will be prioritised for support if it is within one of these sectors:</p> <ul style="list-style-type: none"> • Marine and maritime • Advanced manufacturing • Aerospace • Defence • Lifesciences and healthcare • Digital technologies • Digital creative industries • Oil and gas • Information economy • Construction • Clean/green technology • Tourism and Visitor Economy • Creative and Cultural • Rural businesses (excl primary agricultural products).

Explanatory Note

This section provides support for applications in relation to questions where it is felt an explanatory note would be beneficial. Should applicants require clarification in relation to other questions not further expanded on in this section, please contact the Solent LEP on 023 9268 8924 or info@solentlep.org.uk.

A1	Eligibility criteria
a.	The Solent LEP area includes the local authority areas of Eastleigh BC, Fareham BC, Gosport BC, Havant BC, Isle of Wight Council, New Forest DC, Portsmouth City Council and Southampton City Council. A map of the Solent area can be found at www.solentlep.org.uk
b.	Funding is available through this fund with grants up to £100,000 ¹ to help businesses grow quickly through delivering new processes / products / services and/or developing new markets. Every business seeking funding will be provided with support from Solent Growth Hub. If, as a result of this engagement, you are considered eligible for the Small Business Growth Accelerator Programme you will be provided with access to a growth coach, and potentially an opportunity to apply for a higher level of funding (up to a maximum funding contribution of £500,000)
c.	The funding sought from this fund must contribute to the total project costs alongside confirmed and secured private sector investment. Your application cannot be considered unless you can demonstrate that this 'match funding' is approved. Question C1.b. asks you to enter details of this approved funding. The fund is for discrete and definable projects with clear links to private sector investment and other outcomes.
d.	You must demonstrate that your project will deliver improved business productivity, develop new products or new markets and/or directly create new full time equivalent jobs. You will need to provide clear explanation about how your proposal meets the 'high growth' focus of the fund, the nature of the products or markets you are seeking to develop and how the funding will enable you to undertake measures to improve productivity or develop opportunities. Jobs created or safeguarded need to be retained for a minimum of 2 years, and bids which show they will create a higher number of direct jobs will be considered stronger.
e.	Your business must be registered with Companies House to be eligible. If you wish to be considered for the Growth Accelerator Programme, your business should be a limited company or LLP.
f.	Your business must have been trading for at least 2 years. A business starts trading when it registers for VAT or NI (Class 2) contributions, or when the first transaction is made.
g.	To apply under this fund, a business must qualify as a SME as per the European Commission's definition, namely employs fewer than 250 persons and meets either the turnover ceiling of €50m or the balance sheet ceiling of €43m. Further information can be found here . To qualify for the Growth Accelerator Programme, your business must have between 10 and 249 employees.
h.	Applications for funding to acquire a business, finance a management buy-out or to purchase a franchise will not be eligible for funding.
i.	State Aid: You will need to provide a statement to confirm that your application for funding complies with the rules on receiving State Aid. If you have not received any form of support or grant from a public body over the past 3 years, please state this. If you have, you should seek guidance as to whether you are able to apply for further funding through this fund, either

¹ In exceptional circumstances, bids seeking up to £500,000 of funding can be considered, but any business seeking funding in excess of £100,000 must access the Growth Accelerator Programme before submitting a funding application. Please refer to the fund Technical Guidance for further information.

A1 Eligibility criteria	
	online or seeking independent professional advice, and provide the relevant statement to us. It is your responsibility to ensure that your application for funding is compliant with relevant state aid legislation.
j.	The fund is only open to projects that are able to start by March 2020 at the very latest and commit fully that they are capable of spending all funds awarded by 31 st March 2021.

A2 Additional Information	
a.	Risk Assessment - you must consider all the risks that could prevent the project being delivered on time or to cost or to quality and then set out in this form in section C.4.d what these risks are and how you plan to mitigate them.
b.	Milestones are important to indicate when you expect key stages to be met, to assure us that you can deliver the project within the stated timescale. You should supply at least 5 key milestones with dates for achievement. The milestones should be relevant, measureable and achievable, and you are encouraged to present as many as possible to maintain timely management of your project. Projects which fail to deliver on time risk losing their funding.
c.	If you are creating new jobs, please provide job specifications.
d.	You must provide details of all project costs, by item of expenditure and when you expect the expenditure to be spent, or defrayed.
e.	You must supply 3-year financial forecasts to show how your business will achieve high-growth. These should include cash flow, balance sheet and profit/loss forecasts for 3 years. Any sales forecasts or additional information and narrative that you can provide to explain how you have arrived at the forecast figures should also be included to strengthen your application.
f.	Please provide 3 years of audited accounts
g.	All businesses must have an effective framework in place to provide an appropriate level of assurance for their project and you need to identify a Senior Responsible Officer or lead manager who is accountable for the delivery of the project. Evidence must be submitted of the governance arrangements and key personnel and management of key processes including business planning, project management, risk management, procurement and service and contract management as appropriate.
h.	Have you provided information about your company, such as the history and background, main business activities, the market it operates in and what sets it apart from its competitors, any partnerships or subsidiaries, trading structure, shareholders etc.?
i.	You must be able to confirm that all consents, such as planning consents, building regulations approvals, licences etc. are all in place or have been suitably progressed at the time of application. We need to be assured that the application we are considering for funding is able to go ahead without delay or uncertainty about approvals being granted.

B1	Applicant Organisation Information
a.	An identifiable name for the project
b.	The address at which the project / new business will be delivered
c.	The name of your business
d.	Address of your business if different from B1.b
e.	Companies House Registration number
f.	Trading name if different from B1.c
g.	Use this space to tell us about your business, its strengths/unique selling points, market opportunities, challenging trading conditions etc.
h.	Your name
i.	The name of the person who will be our lead contact for this project
j.	The email of the person who will be our lead contact for this project
k.	Tel no. of the person who will be our lead contact for this project
l.	The name of the person leading the project
m.	Email of the person leading the project
n.	Position/role of the person who will lead the project
o.	<p>Employee numbers to be provided as Full Time Equivalentents (FTE).</p> <p>Notes related to jobs:</p> <ul style="list-style-type: none"> • An FTE job is considered as one role working a minimum of 36 hours per week. • All jobs created and / or safeguarded must be direct employees of the applicant organisation, and appear on the company payroll. • Two part-time jobs working a minimum of 18 hours per week would be considered as one FTE. <p>For the purposes of the Solent LEP Funds, apprenticeships cannot be counted as FTEs.</p>
p.	<p>Specify industry sector – e.g. manufacturing, education, health etc. Bids that are from businesses that are operating within one of the following priority sectors will be prioritised for funding:</p> <ul style="list-style-type: none"> • Marine and maritime • Advanced manufacturing • Aerospace • Defence • Lifesciences and healthcare • Digital technologies • Digital creative industries • Oil and gas • Information economy • Construction • Clean/green technology • Tourism and Visitor Economy

B1 Applicant Organisation Information	
	<ul style="list-style-type: none"> • Creative and Cultural • Rural businesses (excluding primary agricultural products).
q	SIC Code (UK Standard Industrial Classification) List by Section - Division - Subcomponents for each relevant business activity. The SIC Hierarchy list of codes is available on the Office for National Statistics website
r.	Please select from Cooperative/ General Partnership/ LLP/ LP/Limited Company/PLC/Sole Proprietor/ Unlimited Company/ University/ Educational Institution / Others (If other- provide details). N.B. franchise applications are not eligible for funding)
s.	If your business is linked to another business in some way, this may affect whether the business is defined as a SME or not. Please provide information about any partner or linked companies, subsidiaries or parent companies. Further information about this can be found online
t.	Please provide information about the business structure in relation to directors, executive and senior management and employees etc.

B2. Project description and Funding Request Summary	
a.	Please describe your project fully, stating what you need the funding for. Explain your proposed new business activity and how this supports your business plan. What economic benefits will it deliver and are there any other wider outcomes that it will deliver? What new business processes, products or services will be developed as a result of the project and how will these be marketed? What sales forecasts do you expect and why?
b.	What type of funding are you looking for? A loan? A grant? Why is this your preference?
c.	What is the Total Project Cost and how has this been calculated? When did you receive the estimates or prices? How long are they valid for?
d.	What funding are you asking Solent LEP to provide?
e	LEP funding can be for a maximum of 30% of total project costs. Your application will be assessed based on value for money in terms of sustainability and the total number of jobs created. It will also be assessed on the amount and percentage of the total project costs that is invested by the private sector.
f.	Why do you require this amount of funding? Have you explored other options to finance a gap in funding?
g.	How much private sector investment is available for the project?
h.	Where is the private sector finance coming from?
i.	Match funding (the private sector investment) must be approved at the time of making the application and you must be able to provide evidence of this alongside your application. .
j.	The number of jobs should be additional jobs created as a direct result of the project and should exclude any that are created due to other interventions or market forces. Notes related to jobs:

B2. Project description and Funding Request Summary	
	<ul style="list-style-type: none"> • An FTE job is considered as one role working a minimum of 36 hours per week. Jobs need to be retained for at least two years after the project is completed. • All jobs created and / or safeguarded must be direct employees of the applicant organisation, and appear on the company payroll. • Any jobs safeguarded must be current FTE employees whose roles would otherwise be lost within 12 months without Solent LEP funding. • Two part-time jobs working a minimum of 18 hours per week would be considered as one FTE. <p>For the purposes of the Solent LEP Funds, apprenticeships cannot be counted as FTEs</p>
k.	Safeguarded jobs are jobs that will be maintained or protected as a result of the project. Jobs must be permanent FTE jobs and can only be considered safeguarded where there is real threat that they will be lost in the next twelve months if interventions that are part of the project are not in place.
l.	Details of the specific jobs that will be safeguarded
m.	If Solent LEP is unable to meet your funding request, what will be the impact on the project? Do you have alternative ways to fund the project? If so, please explain.
n.	Details of previous funding from Solent LEP or other public sector entities to be provided (date and value). Include details of funds received and any planned bids or applications in progress with decision dates.
o.	The date that your project will begin.
p.	Provide planned practical completion date. Works are generally considered to be practically complete when there are no outstanding defects (except for minor items or snagging) and the project (e.g. building or road) can be put to its intended use.
q.	When do you expect to spend any LEP funds you may be offered?
r.	You are required to send us a statement to say that your application for funds through this application complies with State Aid rules. If you did obtain independent advice on state aid compliance, please send us a copy. Otherwise, please provide us with a signed written statement of compliance.
s.	How confident are you that the new business will achieve the sales that you have forecast in your financial statements and that the turnover you have predicted is realistic and achievable? Please provide evidence to substantiate the sales forecast, such as indicative orders from prospective customers or sales enquiries.
t.	Businesses who are developing new products to introduce to new or existing markets should explain the nature of the products and quantify as best as possible the scale of the new market opportunities and the measures that will be taken to develop those opportunities. How will you drive sales through marketing activity?
u	Who are the competitors to your business? Are you clear about the threats they may be to the success of the new business? How will you address or overcome this?

C2.	Economic Case
a.	<p>Details of outcomes of the project. Bids which demonstrate that they will create a high number of jobs directly will be considered stronger. The assessment will also consider the cost in funding per job created.</p> <p>Jobs created: new jobs that will be created as a result of the project's investment (and would not be created if the project did not go ahead). This may include temporary jobs e.g. construction, which should be clearly identified with an indication of the period over which these jobs will continue. Please refer to further guidance outlined below regarding calculation of employment impacts.</p> <p>Jobs safeguarded: jobs that will be maintained as a result of the project. Jobs must be permanent FTE jobs and can only be considered safeguarded where there is real threat that they will be lost in the next twelve months if interventions that are part of the project are not in place.</p> <p>Calculation of employment outcomes</p> <p>Direct jobs are those employed directly as a result of the investment. This may include temporary jobs (e.g. in construction), which should be clearly identified in the form with an indication of the period over which these jobs will continue.</p> <p>Indirect jobs are those employed in the wider economy as a result of the investment (Including within the supply chain). These may include jobs created on new development sites which would have remained undeveloped if the project was not implemented.</p> <p>All job figures should be expressed in full time equivalent terms (FTE). A full time job is 36 hours or more per week, whilst a part time job is classed as more than 18 hours but fewer than 36 hours per week. Full time equivalent jobs must be delivered and maintained for at least 10 years from the point at which it is created. Only staff employed by and on the payroll of the applicant business will be considered as eligible. Jobs directly created or safeguarded would need to be retained for a minimum of two years after the project is completed.</p> <p>Employment floor-space delivered (by land use): total square metres of new buildings constructed as a result of the project investment. All estimates to include the</p>

C2. Economic Case	
	entire area inside the external walls of a building including corridors, lifts, plant rooms, service accommodation.
c.	<p>Provide assumptions used to derive additional jobs created by the project (if applicable)</p> <p>Deadweight refers to outcomes that would have occurred without the intervention. This is used to determine the difference that can be attributed to an intervention.</p> <p>Displacement is the degree to which an increase in economic activity promoted by an intervention is offset by reductions in economic activity elsewhere. The project should not result from a displacement of the economic activity from elsewhere.</p> <p>Substitution is where firms or consumers substitute one activity for another as a result of intervention. As economic activity changes, it may lead to productivity changes which are costs or benefits.</p>
d	Applicants need to demonstrate the added value of the funding to the project, i.e. demonstrating that the project will not come forward or within a timely manner or at a similar scale if funding is not secured.
g.	Some projects can affect specific groups of individuals more than other. Please outline how this has been assessed.

C3. Commercial Case	
a.	Provide details of the preferred procurement route to deliver this scheme with reasons why this option was chosen above other alternative options. Include details of statutory / procedural requirements for the project to proceed.

C4. Management Case	
a.	List at least 5 key milestones for the project, along with a description and a target date for each.
b.	Explain the project management experience to deliver the project.
c.	Set out all statutory consents, approvals, legal agreements that are required for the successful delivery of the project. Explain how and when these will be acquired. N.B. All should be obtained before the project commences.



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Should you have any questions
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document please contact the
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