



European Union
European Regional
Development Fund



HM Government



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**



SME Restart and Recovery, and Kick-starting Tourism Fund

**Technical Guidance
September 2020**



Fund Summary

The Solent LEP is fully committed to helping Small and Medium Enterprises (SMEs) in their efforts to meet the unprecedented challenges presented by the Covid-19 pandemic and are putting in place a range of support offers for Solent businesses to access.

The Restart and Recovery & Kickstarting Tourism Grants have been created specifically to help SMEs in the Solent LEP area to adapt and diversify in response to the impacts of Covid-19. Funded by the European Regional Development Fund (ERDF), eligible SMEs can access grants of between £1,000 - £3,000 (up to £5,000 in exceptional circumstances) for specialist advice.

To be eligible for this grant the business:

- Must be an SME based in the Solent LEP area (map below).
- Must be a company limited by guarantee, registered at Companies House
- Must have at least one year's trading history
- Needs to be able to evidence they have been negatively impacted by Covid-19
- Must have the evidence to demonstrate the ability to survive long term following the impacts of Covid-19
- Staff headcount must be below 250 FTE. Businesses with more than 250 employees are not eligible.

Whilst businesses that have received Covid-19 related grant support are eligible to apply, **priority** will be given to businesses who have not received Covid-19 related grant at the date of application.

For a non-exhaustive list of Covid-19 related grants please see section 8.5.

Expenditure eligibility:

The grant is available to help SMEs access one-to-one specialist advice to address their immediate needs. **The grant must cover 100% of the cost of the service or product and cannot be used to part-fund expenditure. Project expenditure is only eligible if it has been incurred after the date of the grant letter provided to successful applicants.**

Examples of eligible expenditure on professional services include:

- Review of the business strategy
- Strategic review of business models
- Development of recovery plans
- HR, financial and legal advice
- Coaching and mentoring in leadership and management development / Change management
- Innovation strategy to adapt and diversify products/services
- The introduction of new technology
- Developing or revising marketing/digital strategies to reach new markets

- Mitigating the impact of social distancing measures
- Rebuilding a viable business model
- Developing product offerings
- Legal and environmental health compliance
- Skills analysis and development plans
- Workforce management
- Employee engagement, welfare and wellbeing

Please note these are examples only and not an exhaustive list.

Grants may also be used to purchase minor equipment to adapt or adopt new technology in order to continue to deliver business activity or diversify. For example, a tourism business may need to purchase a second cash register to enable adequate social distancing in its gift shop. Other examples of potentially eligible expenditure on equipment (where a Covid-19 related impact can be demonstrated) could include:

- IT hardware to support home working (excluding the replacement of existing PC/laptop and mobile phones)
- Software to enable secure remote working
- Online sales/purchasing platforms
- Equipment for remote working including desks, chairs etc.
- Cloud based storage
- Website creation/development

Please note: if successful following a formal grant application, you will be required to sign a grant funding letter and funding will only be paid upon production of an acceptable invoice that has been paid by you for the service or item you have procured.

Applications will need to include three quotes for the service(s) and / or items(s) you wish to secure a grant for.

You will need to sign a statement confirming that there has been no conflict of interest with regard to the procurement you have purchased a service or item from. A conflict of interest occurs when an individual or organisation has more than one interest in a contract, leading to a risk of biased or corrupt decision making or the perception of such. For example, where a Director of the applicant SME is also the Director of the supplier of the purchased service or item, this would not be allowable expenditure. Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF is available [here](#) and [here](#).

Applications that are seeking a grant to fund wages, working capital, or equipment or consumables associated with PPE or social distancing measures cannot be supported.

All eligible applications will be assessed and scored. Should demand be greater than the available funding, the LEP will allocate funding to those projects that score highest. The decision of the Solent LEP and Portsmouth City Council is final, and there is no right of appeal.

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1. Executive summary

Whilst Government has introduced a number of financial measures to support businesses in response to the impact of Covid-19 to minimise business failure and to support businesses in retaining staff until the control measures are alleviated, a number of businesses are seeking specialist advice to further mitigate the impact in order to build in resilience within their business or address potential new opportunities and require ongoing support to innovate, scale or meet their own growth path.

Government has provided the Solent LEP area with European Regional Development Funding (ERDF) to bring forward a small grant programme to support SMEs negatively impacted by Covid-19. Through this 100% grant funding opportunity the LEP aims to support at least 110 SMEs with grants and realise

the following outcomes:

- Safeguarding Jobs; and
- Safeguarding Businesses

To be eligible for this grant funding you will need to be an existing SME.

This is an open call for applications. A high level of demand is expected and as such it is anticipated that not all applications will be successful in securing grant funding.

The Solent LEP has developed a range of business support offers in response to the economic impact of Covid-19, and further information is available on the Coronavirus Support Hub - click [here](#).

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 on page 5) that stretches from Havant 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:

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

The 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](#)

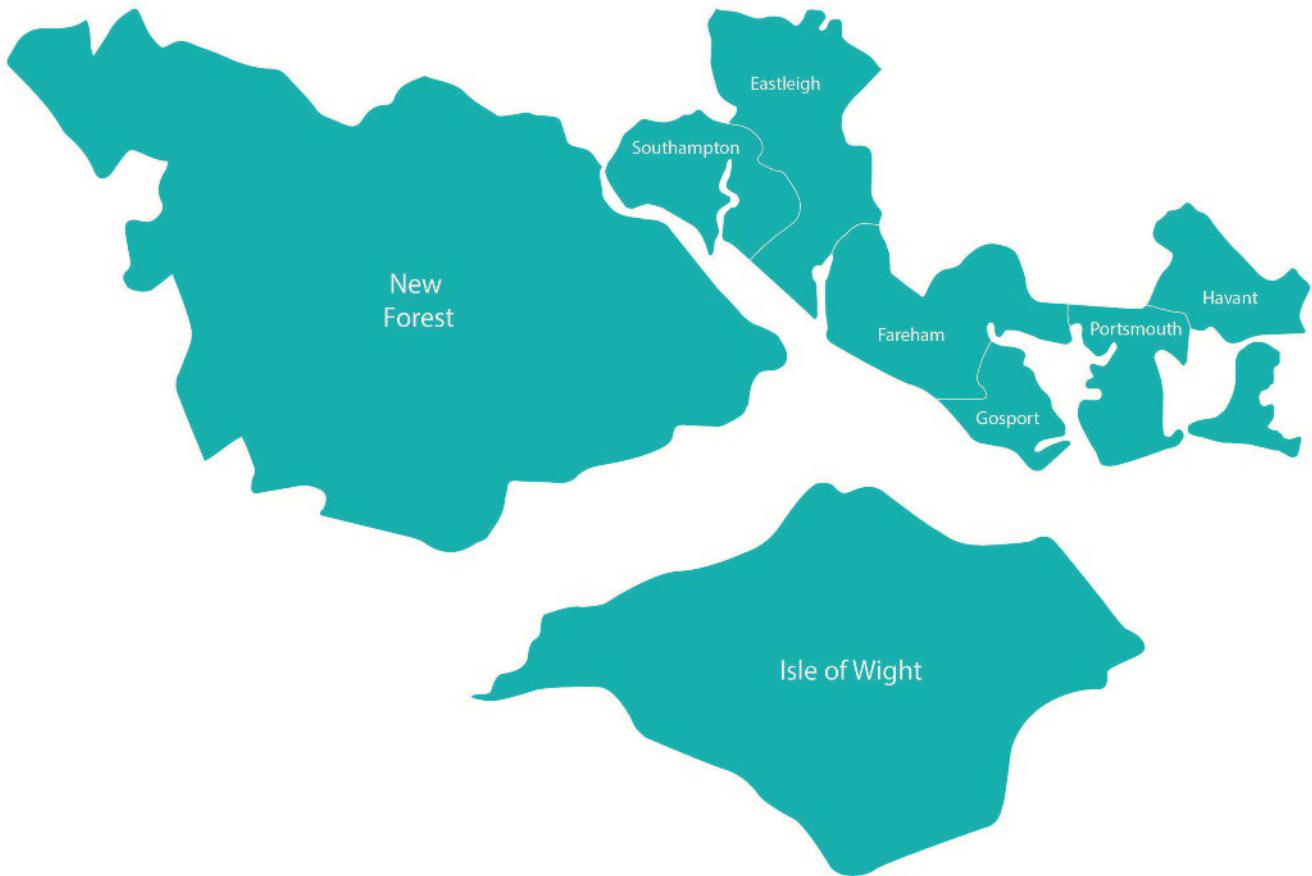
2.2 The Covid-19 pandemic

Businesses are currently facing unprecedented change and impact due to the current economic crisis caused by the Covid-19 global pandemic. One quarter of companies in the UK have temporarily closed because of the coronavirus lockdown and the majority of those still operating have reported lower turnover, according to the Office for National Statistics (ONS).

2.3 The impact on the Solent economy

The Covid-19 pandemic and associated restrictions imposed on our everyday lives have already caused a major economic shock to the global economy, and businesses and communities across the Solent are feeling the immediate effects of this.

The Solent LEP Area



All aspects of the region's economy have been impacted in some way, and in some respects, the future in the aftermath of the pandemic will look very different.

Based on the latest real time data, we can start to understand the significant economic impacts of Covid-19 within the Solent:

- 22% of Solent's employed residents were furloughed in May through the Coronavirus Job Retention Scheme, equivalent to 134,600 jobs
- 25% of local jobs, businesses and output is supported by sectors at highest short-term risk reflecting strong local representation of hospitality, recreation, construction and education sectors
- Job postings have fallen by 44% across the Solent compared with mid-March just before start of lockdown
- 26,800 jobs are expected to be lost across the Solent in 2020 according to Experian's latest Covid-19 scenario
- Over 18,000 Solent SMEs have received Coronavirus grant funding from the Small Business Grants Fund or Retail, Hospitality and Leisure Business Grants Fund administered by local authorities.

So as a region it is vital that we not only help support a return to business as usual, but also take action now to ensure we can

be more resilient to future disruptions and seize the opportunities for innovation and the benefits of doing things differently that have been brought about by the pandemic.

2.4 The visitor economy

The visitor economy is an important sector within the Solent. The Solent benefits from an exceptional natural landscape, boasting 340 miles of coastline, the New Forest National Park, and the UNESCO-designated Isle of Wight Biosphere. Complementing these natural assets are a range of visitor assets that are inextricably linked to the area's coastal geography and maritime heritage (e.g. Portsmouth Historic Dockyard and Bucklers Hard), as well as specific visitor attractions of national and international appeal, such as Paultons Park.

The Solent's visitor economy has been particularly exposed to Covid-19 with the critical Easter-summer season largely being wiped out and resulting in the so-called 'three winter syndrome'. The opportunity to support our businesses within the visitor economy through the proposed small business grant programme will provide a boost to the recovery of the sector from Covid-19. This sectoral exposure, along with underlying socio-economic challenges that are familiar to coastal economies, result in the Solent economy being more exposed than many other local economies in the UK.

3. SME Restart and Recovery, & Kick-Starting Tourism Grant Fund

3.1 SME Restart and Recovery, & Kick-starting Tourism Grant Fund Overview

Government has provided the Solent LEP area with European Regional Development Funding (ERDF) to bring forward a small grant programme to support SMEs negatively impacted by Covid-19.

Through this 100% grant funding opportunity the LEP aims to support at least 110 SMEs with grants and realise the following outcomes:

- Safeguarding Jobs; and
- Safeguarding Businesses

The Restart and Recovery & Kickstarting Tourism Grants have been created specifically to help SMEs in the Solent LEP area to adapt and diversify in response to the impacts of Covid-19. Funded by the European Regional Development Fund (ERDF), eligible SMEs can access grants of between £1,000 - £3,000 (up to £5,000 in exceptional circumstances) for specialist advice.

Grants will typically be provided in the £1,000 - £3,000 range. Grants of between £3,000 and £5,000 will be awarded on an exceptional basis. If you feel that your restart and/or recovery project requires a grant of between £3,000 and £5,000 you will

need to justify this in your application. For example, you may have evidence that the Covid-19 pandemic has had a disproportionate impact on your business, when benchmarked against others, or may operate in a field where costs are necessarily higher, or the business is supporting Economic Lifeline and Essential services. **If your application is not assessed as exceptional and therefore is not eligible for a grant between £3,000 and £5,000 we may contact you to ask you to scale down your application for a grant below £3,000.**

£375,000 of grant funding is being made available with 41% of this ring-fenced for the SMEs within the Solent's visitor economy. The remainder will be available to all SMEs (including those within the Solent's visitor economy)

Expenditure eligibility:

The grant is available to help SMEs access one-to-one specialist advice to address their immediate needs. **The grant must cover 100% of the cost of the service or product and cannot be used to part-fund expenditure.**

Examples of eligible expenditure on professional services include:

- Review of the business strategy
- Strategic review of business models
- HR, financial and legal advice

- Coaching and mentoring in leadership and management development / Change management
- Innovation strategy to adapt and diversify products/services
- The introduction of new technology
- Developing or revising marketing/digital strategies to reach new markets
- Mitigating the impact of social distancing measures
- Rebuilding a viable business model
- Developing product offerings
- Legal and environmental health compliance
- Skills analysis and development plans
- Workforce management
- Employee engagement, welfare and wellbeing

Please note these are examples only and not an exhaustive list.

Grants may also be used to purchase minor equipment to adapt or adopt new technology in order to continue to deliver business activity or diversify. For example, a tourism business may need to purchase a second cash register to enable adequate social distancing in its gift shop. Other examples of potentially eligible expenditure on equipment (where a Covid-19 related impact can be demonstrated) could include:

- IT hardware to support home working
- Software to enable secure remote working

- Online sales/purchasing platforms
- Equipment for remote working including desks, chairs etc.
- Cloud-based storage
- Website creation/development

Please note: if successful following a formal grant application, grant funding will be paid upon production of an invoice for the service or item you have procured, along with proof of payment by you. You will need to sign a statement confirming that there has been no conflict of interest with regard to the procurement you have not purchased a service or item from. A conflict of interest occurs when an individual or organisation has more than one interest in a contract, leading to a risk of biased or corrupt decision making or the perception of such. For example, where a Director of the applicant SME is also the Director of the supplier of the purchased service or item would not be allowable expenditure. Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF is available [here](#) and [here](#).

Applications will need to include three quotes for the service(s) and / or items(s) you wish to secure a grant for.

Applications that are seeking a grant to fund wages, working capital, or equipment or consumables associated with PPE or social distancing measures cannot be supported.

All eligible applications will be assessed and scored. Should demand be greater than the available funding, the LEP will allocate funding to those projects that score highest.

The decision of the Solent LEP and Portsmouth City Council is final, and there is no right of appeal.

4. Eligibility criteria and supporting information

4.1 Demonstrating impact of Covid-19

This fund aims to support SMEs to restart and recover from the economic impacts of the Covid-19 pandemic. Therefore, any SME applying under this fund will need to describe how their business has been negatively impacted by the Covid-19 pandemic. This could include, for example, business closure in response to lockdown, reductions in revenues, increased costs, lost contracts. Applicants will need to be specific and include comparative figures with the same trading period in 2019 to provide evidence. Businesses will also be required to demonstrate they were not in difficulty at 31 December 2019 before the Covid-19 outbreak.

4.2 Describing your project

Applicants will need to describe the project. This description will set out the cost of your project, how much grant you are seeking, and what the grant funding will be spent on. You will need to describe how this funding will support the restart and/or recovery of your business and how many jobs you expect this funding will safeguard.

4.3 Bid thresholds

Eligible SMEs can access grants of between £1,000 - £3,000 (up to £5,000 in exceptional circumstances) for specialist advice. The level of grant you request must reflect the actual costs of the service(s) and/or item(s) you will purchase. **You will be required to provide evidence of three quotes with your application** for the service(s) and/or item(s) you wish to procure to ensure that your grant request is a true reflection of the expenditure you will make. We cannot take forward any applications that do not provide three quotes. A quote will need to be from a recognised provider of such services / items and the quote will need to be in the form of an official email or a screen shot from a website detailing the costs. If successful, following a formal grant application, you will be required to sign a grant funding letter and funding will be paid upon production of an acceptable invoice that has been paid by you for the service(s) and/or item(s) you have purchased along with proof of payment. The grant must cover 100% of the cost of the service or product and cannot be used to part-fund expenditure.

You will need to sign a statement confirming that there has been no conflict of interest with regard to the procurement you have

not purchased a service or item from. A conflict of interest occurs when an individual or organisation has more than one interest in a contract, leading to a risk of biased or corrupt decision making or the perception of such. For example, where a Director of the applicant SME is also the Director of the supplier of the purchased service or item would not be allowable expenditure. Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF is available [here](#) and [here](#).

4.4 Eligible costs

The grant is available to help SMEs access one-to-one specialist advice to address their immediate needs. The grant must cover 100% of the cost of the service or product and cannot be used to part-fund expenditure. Applications for projects with expenditure higher than the grant applied for will be ineligible.

Project expenditure is only eligible if it has been incurred after the date of the grant letter provided to applicants.

Examples of eligible expenditure on professional services include:

- Review of the business strategy
- Strategic review of business models
- Development of recovery plans
- HR, financial and legal advice
- Coaching and mentoring in leadership and management development / Change management
- Innovation strategy to adapt and diversify products/services
- The introduction of new technology
- Developing or revising marketing/digital strategies to reach new markets
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- Legal and environmental health compliance

- Skills analysis and development plans
- Workforce management
- Employee engagement, welfare and wellbeing

Please note these are examples only and not an exhaustive list.

Grants may also be used to purchase minor equipment to adapt or adopt new technology in order to continue to deliver business activity or diversify. For example, a tourism business may need to purchase a second cash register to enable adequate social distancing in its gift shop. Other examples of potentially eligible expenditure on equipment (where a Covid-19 related impact can be demonstrated) could include:

- IT hardware to support home working excluding the replacement of PC/laptop and mobile phones
- Software to enable secure remote working
- Online sales/purchasing platforms
- Equipment for remote working including desks, chairs etc.
- Cloud-based storage
- Website creation/development

Please note: if successful following a formal grant application, grant funding will be paid upon production of an invoice for the service or item you have procured along with proof of payment by you. You will need to sign a statement confirming that there has been no conflict of interest with regard to the procurement you have not purchased a service or item from. A conflict of interest occurs when an individual or organisation has more than one interest in a contract, leading to a risk of biased or corrupt decision making or the perception of such. For example, where a Director of the applicant SME is also the Director of the supplier of the purchased service or item would not be allowable expenditure. Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF is available [here](#) and [here](#).

Applications that are seeking a grant to fund wages, working capital, or equipment or consumables associated with PPE or social distancing measures cannot be supported.

4.5 The visitor economy

SMEs that are eligible to be supported who fall under the SIC codes listed in section 4 will be considered to be operating within the visitor economy. The list of SIC codes is not exhaustive and a business may be in scope where it is located in a tourist area and dependent on visitors. You will need to explain this in your application where it will be reviewed as part of the assessment process.

4.6 Business definition

To be eligible your business must be a company limited by guarantee and registered at Companies House and have at least one year's full trading history.

In order to apply under the SME Restart and Recovery, & Kick-starting Tourism Grant Fund every applicant must:

- Qualify as an SME as per the EU definition in section 9 of this Technical Guidance document; and
- Have at least one employee.

All applicants are requested to read section 8 of this Technical Guidance document to ascertain whether they are eligible to apply.

4.7 Geography

Proposals must be delivered in the Solent LEP area with clear evidence that the direct outputs (i.e. jobs safeguarded and businesses safeguarded) 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 on page 5.

4.8 Delivering your project

Project activity must be completed by 31 January 2021 with all claims, evidenced by invoices and proof of payment, returned to the LEP by 19 February 2021. You must be able to demonstrate that you have the resources, expertise and ability to carry out the project within the Fund timescale.

4.9 Claims

Claims will be paid in arrears. Successful applicants will receive a grant offer letter that will provide details of the amount of grant you will be able to claim, how to claim the grant, and by when. You will need to complete a claim form and provide the required evidence of expenditure and payment in order for the grant to be paid.

4.10 Franchises

Applications from small businesses under a franchise may not apply. This fund is seeking to support independent businesses.

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4.11 Branding and Publicity

Successful applications may be required to provide the LEP with a case study, showcasing how the SME has benefited from this additional funding, in accordance with the **ESIF Branding and Publicity Requirements**.

4.12 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;
- undertakings active in the coal sector;
- acquisition of road freight transport vehicles granted to undertakings performing road freight transport for hire or reward.

4.13 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:

State Aid: Guidance

State Aid: The Basics

State Aid: Competition

Grant funding will be offered on the basis of de minimis aid.

Successful applications will receive grant funding in cases where they meet the requirements of the De Minimis Regulation. De minimis aid refers to small amounts of aid that is unlikely to affect trade and therefore benefits from a "safe harbour" exemption. The maximum de minimis threshold single recipient can benefit from is €200,000 over a rolling three-year fiscal period (or £ sterling equivalent on the day granted).

4.14 Governance and Management

All projects seeking funding support will be required to identify a lead person or lead manager who is accountable for the implementation of the project.

4.15 Additionality

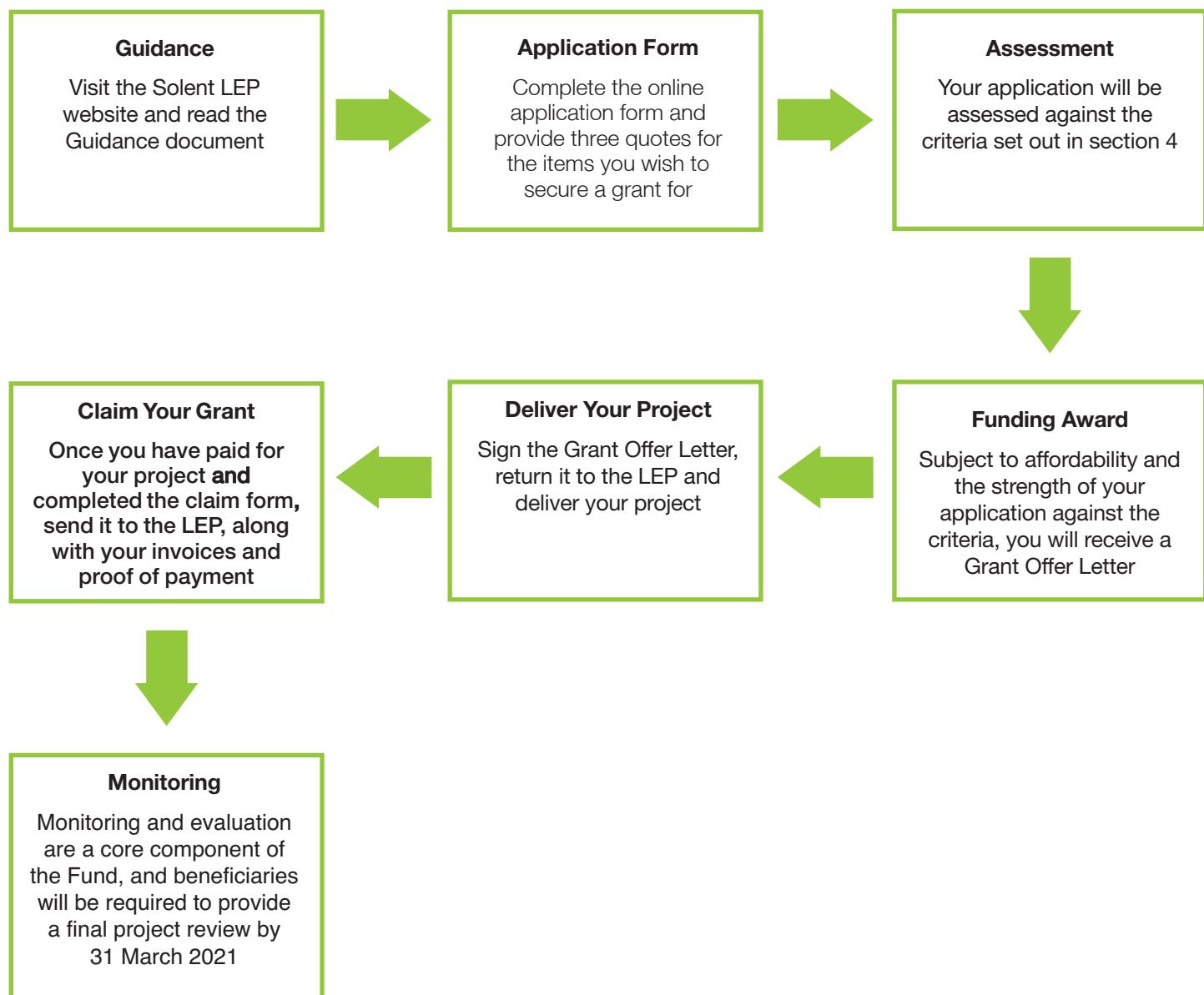
Applicants will need to demonstrate clear added value in relation to any project to be funded. This will include demonstrating that without the Fund, the proposal will not come forward at all, or within a timely manner or at a similar scale (sometimes this is referred to as 'deadweight').

4.16 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 in relation to other grant programmes.

5. Application, Decision and Funding Process

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



5.1 Application Process

The online application form will assess your eligibility as you complete it with details about your business. Once completed it will be considered for funding by the Solent Local Enterprise Partnership and Portsmouth City Council. Applications will need to be completed on the [**LEP Website**](#)

Please note, the LEP will only consider one application from each business. Submitting more than one application may result in neither application being considered.

The 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.

5.2 Assessment of Applications

The process for assessment of applications is undertaken by the Solent Local Enterprise Partnership and Portsmouth City Council.

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 - Extent of the economic impact of Covid-19 on the business, and the ability of the proposal to support a business to restart and/or recover from the economic impact of Covid-19
- Impact – What outputs will the project create? (Safeguarded jobs, safeguarded business)
- Value for Money – The extent to which the proposed project costs represent good value and the steps you plan to take to ensure you achieve value for money.
- Deliverability – Does the applicant have the resources, expertise and ability to carry out the project?
- Risk – The degree to which the applicant has considered,

identified and mitigated for project-related risks.

- Timing – That the project and associated outcomes are deliverable within the published timeframes of the fund.
- Equality Impact Assessment – The impact of the project on groups with protected characteristics under the Equality Act 2010.

The decision of the Solent LEP is final, and there is no right of appeal.

5.3 Funding Agreement

Successful applications will be sent a Grant Offer Letter, which will set out how we will transfer the funding to you and at what stage, and your responsibilities to comply with the contract.

5.4 Claims

Expenditure for which claims are made must have been defrayed and 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.

The level of grant you request must reflect the costs of the service(s) and/or item(s) you will purchase. If successful, following a formal grant application, grant funding will be paid upon production of all invoices paid for the service(s) and/or item(s) you have purchased. The grant must cover 100% of the cost of the service or product and cannot be used to part-fund expenditure or your application will be ineligible.

5.5 Monitoring and Evaluation

Monitoring and evaluation are a core component of the Fund, and beneficiaries will be required to provide a final project review by 31 March 2021.

6. Activity Timetable

Round one of the Fund will close once 1,000 applications have been received, or one week from its launch on 16 September, whichever is the sooner. Should 1,000 applications not be received, round one will close at 11:59 pm on 23 September 2020. The 1,001st application or applications received after 11:59 pm on **23** September 2020 will not be considered.

Please note that we expect application levels to be very high so we strongly encourage you to apply now, during round one.

Future funding rounds will be entirely dependent on how much is distributed in the first round. We hope to notify successful applicants within 10 working days of the closure of this fund. However, as demand is likely to be significant, this may not be possible. If such high demand arises, we will write to you within 10 working days of the closure of this fund to provide an update on the timeline.

7. Contact Information

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

Email: recover@solentlep.org.uk

Telephone: 023 9268 8924

8. Glossary

8.1 Small and Medium Sized Enterprise (SME)

In order to apply 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 **User Guide to the SME Definition**. Please note, an employee is someone who works under an **employment contract**.

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.

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.

Category	Headcount	Turnover	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 [here](#)

Key: < - less than
≤ - less or equal to

8.2 Visitor economy

The following Standard Industrial Classification (SIC) Codes will be used to determine if a business is operating within the visitor economy.

SIC	Description	Tourism Sector
49.1	Passenger rail transport, interurban	Railway passenger transport services
49.32	Taxi operation	Road passenger transport services
49.39	Other passenger land transport n.e.c.	Road passenger transport services
50.1	Sea and coastal passenger water transport	Water passenger transport
50.3	Inland passenger water transport	Water passenger transport
51.1	Passenger air transport	Air passenger transport services
55.1	Accommodation	Accommodation services for visitors
55.2	Accommodation	Accommodation services for visitors
55.3	Accommodation	Accommodation services for visitors
55.9	Accommodation	Accommodation services for visitors
56.1	Food and beverage service activities	Food and beverage serving activities
56.21	Food and beverage service activities	Food and beverage serving activities
56.29	Food and beverage service activities	Food and beverage serving activities
56.3	Food and beverage service activities	Food and beverage serving activities
68.2	Renting and operating of own or leased real estate	Exhibitions & Conferences etc
77.11	Renting and leasing of cars and light motor vehicles	Transport equipment rental services

SIC	Description	Tourism Sector
77.21	Renting and leasing of recreational and sports goods	Sport and recreation activities
77.34	Renting and leasing of water transport equipment	Transport equipment rental services
77.35	Renting and leasing of air transport equipment	Transport equipment rental services
79.11	Travel agency and tour operator activities	Travel agencies & other reservation services
79.12	Travel agency and tour operator activities	Travel agencies & other reservation services
79.9	Other reservation service and related activities	Travel agencies & other reservation services
82.3	Organisation of conventions and trade shows	Exhibitions & Conferences etc
90.01	Performing arts	Cultural activities
90.02	Support activities to performing arts	Cultural activities
90.03	Artistic creation	Cultural activities
90.04	Operation of arts facilities	Cultural activities
91.02	Museum activities	Cultural activities
91.03	Operation of historical sites and buildings and similar visitor attractions	Cultural activities
91.04	Botanical and zoological gardens and nature reserve activities	Cultural activities
93.11	Operation of sports facilities	Sport and recreation activities
93.19	Other sports activities	Sport and recreation activities
93.21	Activities of amusement parks and theme parks	Sport and recreation activities
93.29	Other amusement and recreation activities	Sport and recreation activities

The list of SIC codes is not exhaustive and a business may be in scope where it is located in a tourist area and dependent on visitors. You will need to explain this in your application.

8.3 Economic Lifeline Services

An established business providing a paid for service that is necessary for the effective and efficient functioning of the local economy. Examples include:

- Privately operated passenger and freight transport services (not private hire vehicles)
- Utilities (including broadband)
- Freight distribution services, and
- Ports handling passengers and freight.

8.4 Essential Services

An established independent registered company providing a paid for service that is necessary for the effective and efficient functioning of the economy through the current Covid-19 health and economic emergency, including (but not limited to):

- Food retailers (including food markets, supermarkets, convenience stores and corner shops)
- Pharmacies (including non-dispensing pharmacies) and chemists
- Newsagents, homeware, building supplies and hardware stores
- Petrol stations, car repair and MOT services
- Bicycle shops
- Post offices
- Funeral directors
- Laundrettes and dry cleaners
- Dental services, opticians, audiology services, chiropody, chiropractors, osteopaths and other medical or health services, including services relating to mental health
- Veterinary surgeons and pet shops
- Agricultural supplies shops
- Freight storage and distribution facilities
- Privately operated passenger and freight transport services (not private hire vehicles)
- Utilities (including broadband), and
- Ports handling passengers and freight.

8.5 Examples of Covid-19 Grant Support:

Examples of Covid-19 grant support include:

- Small Business Grant Fund
- Retail, Hospitality and Leisure G
- The Fisheries Response Fund
- Domestic Seafood Supply Scheme
- The Zoos Support Fund
- The Dairy Hardship Fund
- Covid 19 Discretionary Business Grants Fund
- Solent LEP / Crowdfunder Pay it Forward Fund
- Solent LEP Isle of Wight Rural Business Resilience Fund
- Solent LEP New Forest Rural Business Resilience Fund

This is not an exhaustive list as new Covid-19 grant support may become available.

Priority will be given to SME's have not received Covid-19 grant support to date. However, SME's that have received Covid-19 grant support may still apply to this fund.

Should you have any questions
in relation to the content of this
document please contact the
Solent LEP team at:

Email: recover@Solentlep.org.uk
Telephone: 023 9268 8055



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