



East Devon District Council

Innovation and Resilience Fund (IRF)

Policy & Guidance

DRAFT

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Definitions

The following definitions are used within this document:

'Additional Restrictions Grant (ARG)' means the funding provided by Government;

'Council'; means East Devon District Council;

'COVID-19' (coronavirus); means the infectious disease caused by the most recently discovered coronavirus;

'Department for Business, Energy & Industrial Strategy (BEIS)'; means the Government department responsible for the Additional Restrictions Grant (ARG) scheme and guidance;

'Funding Agreement'; means the agreement between the Council and the applicant that sets out the terms and conditions of the project funding award;

'Innovation and Resilience Fund' (IRF); means the current grant scheme administered by the Council;

'Match-funding'; means funds provided by the applicant or another source (excluding the Council) to fund a percentage of the total project cost;

'Project'; means the activity which the applicant is seeking to achieve using project funding;

'Project funding' (IRF funding); means the Innovation and Resilience Fund grant awarded by the Council to the applicant;

'Quote'; means the estimated cost of a good or service provided by a supplier to the applicant;

'Ratepayer'; means the person who, according to the Council's records, was the ratepayer liable for occupied rates in respect of the hereditament at the date of the local restrictions or widespread national restrictions;

'Trading'; means businesses and organisations that are carrying on a trade or profession, or buying and selling goods or services in order to generate turnover;

1.0 Scheme Purpose and Background

1.1 The purpose of this document is to determine eligibility for a grant award payment under the Council's Innovation and Resilience Fund (IRF) scheme.

1.2 The purpose of this scheme is to provide project grants to businesses and organisations in East Devon to help secure the area's economic recovery. Project funding will be allocated to projects which help businesses innovate to improve competitiveness and strengthen resilience by adapting to a green and inclusive post-COVID economy.

1.3 Whereas previous East Devon COVID-19 grant schemes were survival focused, the IRF scheme is dedicated to promoting recovery, with emphasis on new and existing high value employment, innovation and shifting towards a more green and inclusive economy.

2.0 Funding

2.1 A total of £X has been allocated to this scheme. This includes £X of East Devon's Additional Restrictions Grant (ARG) allocation issued by Government and £1,000,000 from East Devon's business rates retention scheme pilot.

2.2 Whilst the awarding of grants will be at the Council's discretion, the Department for Business, Energy & Industrial Strategy (BEIS) has set down criteria which must be met by each business or organisation making an application.

2.3 The ARG portion of the scheme allocation will be funded by Government and paid to the Council under S31 of the Local Government Act 2003. This will be available for the 2021/22 financial year only, whilst the EDDC portion will remain available up until the point when the Council decides to close the scheme.

3.0 Eligible Applications

3.1 For the purposes of this scheme the Council has decided that the following eligibility criteria must be met in order to receive project funding through the Innovation and Resilience Fund.

3.2 The fund is open to individual and collaborative applications from businesses, charities, social enterprises and other types of trading organisations located in East Devon. Organisations are considered to be trading if they are carrying on a trade or profession, or buying and selling goods or services in order to generate turnover. Non-trading organisations, such as town councils for example, are able to apply for a collaborative application but not an individual application. Non-commercial organisations can only bid for project funding to provide direct support services to local businesses.

3.3 A business/organisation can only receive project funding if it:

- is seeking funding for a specific transformational project/innovation
- does not intend to use the funding to substitute lost income/turnover; to cover fixed business/operation costs; or as a wage supplement

- primarily operates and trades within East Devon
- is not in administration, insolvent or has been struck off the Companies House register
- has not exceeded the permitted subsidy control threshold

3.4 A business can only receive project funding if it was trading before 1 January 2021. A non-commercial organisation can only receive funding if it was operating in its intended capacity before 1 January 2021. The Council reserves the right to change this date at its discretion throughout the duration of the scheme. Any updates to the date threshold will be detailed online.

3.5 Both ratepayer and non-ratepayer businesses/organisations are able to apply, including those who run their business from home or on a mobile basis.

3.6 A business/organisation can only receive project funding for one application. Successful IRF recipients are welcome to submit a separate collaborative bid with other businesses/organisations.

3.7 A collaborative bid must include at least two separate businesses/organisations. There is no maximum threshold for joint bid participants. A project lead must be put forward who will be responsible for coordinating group input and ultimately for successfully delivering the project if project funding is awarded. The project lead and all partners must be able to meet the criteria set out in section 3.3 and 3.4 to be eligible to apply, although businesses/organisations based outside of East Devon are able to be included as partners, for as long as these types of businesses/organisations do not exceed 50% of all partners in the bid.

3.8 Applicants (directors/owners/major shareholders) can apply for project funding for each business, with separate project proposals required from each business. If an applicant is a director/owner/major shareholder of more than one business registered/trading at a particular address, only one of those businesses can receive project funding. Collaborative bids are not eligible in cases where the majority of participating businesses/organisations have either shared directors, shared owners, shared major shareholders or immediate family members acting as directors, owners or major shareholders.

3.9 Where the Council has reason to believe that the information provided by the applicant during the application process is inaccurate, it may withhold or recover the project funding.

3.10 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any project funding paid and take appropriate legal action. Likewise, if any person is found to have falsified records in order to obtain project funding.

4.0 Eligible Projects

4.1 Applicants can only apply for IRF funding to deliver a project that will have a transformational effect on the business/organisation. The IRF is not designed to support the continuation of a business/organisation's standard operations and practice. A project is considered to be transformational if it can achieve one or more of the following:

- Employment: promote new higher wage employment or safeguard existing high value employment under threat
- Diversify: allow the business to diversify, develop a new product or innovation, enter new markets or adapt to new market conditions or working practises
- Green: enable carbon reductions, energy efficiencies or promote biodiversity
- Inclusive: provides sustainable opportunities to low-income/disadvantaged individuals, local graduates or helps to alleviate poverty

4.2 Project funding from the IRF can only be used to fund goods or services to deliver the transformational project outlined in the applicant's application form. Examples of eligible costs include, but are not limited to, the following:

- Equipment that will create new higher paid employment
- Equipment that will allow the business to diversify and enter new markets
- Equipment that will allow the business to become carbon neutral or negative
- Digital platforms to allow the business to start selling or take bookings online
- Specialist training to allow the business to expand into new markets
- Adaptations to enable the provision of services to disadvantaged groups

For collaborative projects, examples of eligible costs include, but are not limited to, the following:

- Initiatives to increase sourcing from local suppliers
- Initiatives to support high streets and town centres
- Training initiatives to support disadvantaged people into work
- Events to promote local business and showcase the local area

4.3 For the avoidance of any doubt, the following costs and activities are not eligible for IRF funding:

- Directly funding a new or existing job, or substituting/supplementing/supporting any new or existing salary
- Funding for any activity not relating to a tangible project proposal for innovation, improved resilience or adaptation
- Funding to cover aesthetic and non-transformational changes to a business, its existing premises, products, website, etc
- Funding for any activity that would lead to a significant increase in carbon emissions or biodiversity loss
- Funding to cover the continuation of a business/organisation's standard operations, such as existing fixed costs (rent/mortgage payments, utility bills, vehicle leases, equipment leases, etc), input costs, taxes or debt repayments
- Funding to purchase financial and non-productive assets, such as stocks, shares, bonds, buy-to-let property
- Funding to cover costs associated with depreciation or normal wear and tear
- Funding to cover feasibility studies

4.4 Only one project can be submitted per application, although an application can contain costs for more than one product, service or provision to deliver that project.

4.5 All projects must be delivered within 18 months of when the project funding is awarded. Special exemptions for projects that require more than 18 months to be delivered will be considered where applicants can demonstrate that their proposed project will lead to exceptional positive benefits for the local economy. Businesses or organisations seeking to submit an exempted application will be required to email irf@eastdevon.gov.uk with specific justifications for support and full details of their case before submitting an expression of interest.

5.0 Funding Amounts

5.1 Applicants will be required to request a funding amount in the full bid application form that is based on the estimated total cost of their proposed project. Copies of quotes must be provided to evidence those costs when the full bid is submitted.

5.2 Project funding of up to £50,000 is available per individual business or organisation, whereas project funding of up to £150,000 is available per collaborative bid. The minimum grant amount that can be requested by any applicant is £2,500.

5.3 Special exemptions for grants above the thresholds in 5.2 will be considered where applicants can demonstrate that their proposed project will lead to exceptional positive benefits for the local economy. Businesses or organisations seeking to submit an exempted application will be required to email irf@eastdevon.gov.uk with specific justifications for support and full details of their case before submitting an expression of interest.

5.4 For the first three months of the scheme, 25% of the total scheme allocation (£X) will be reserved for collaborative bids. After the first three months, the remaining funds will be integrated with the remaining allocation for both individual and collaborative bids.

5.5 Applicants are strongly encouraged to secure match-funding by either committing to fund a significant part of the project themselves or securing funding from another source. Although match-funding for projects is not required, match-funded applications will be prioritised and will score more highly in the appraisal. Match-funding will only be considered if it is committed and not already spent. Even with match-funding in place, applicants will still need to demonstrate that the proposed project is transformational and good value for money.

5.6 All applicants must provide copies of quotes for the goods and/or services they intend to procure using the project funding. At least two quotes should be provided per good/service. One quote will be accepted when a specialist good/service is required and only one supplier is present in the market. All quotes must be provided as a screenshot or scan, along with a date and a web address if the price is found online. All quotes will be subject to verification. Applicants which propose to use local suppliers will score more highly compared to suppliers outside of the district.

5.7 Applicants are welcome to provide quotes and procure from any supplier, excluding suppliers where the applicant is a director, or major shareholder of the supplier, or where an immediate family member of the applicant is a director or major shareholder of the supplier.

5.8 The Council will undertake both pre and post-payment anti-fraud checks. Any attempt to fraudulently claim public grant funding will result in funds being recovered and legal action being taken in every instance.

6.0 Making an Application

6.1 All applicants are required to submit an expression of interest application form online before they can submit a full bid application form. The Council will not permit any exceptions to this. The expression of interest period will allow applicants to briefly outline their project idea to the Council. Applicants will then be provided with feedback regarding the eligibility of the project.

6.2 If the proposed project outlined in the expression of interest appears to be consistent with the eligibility criteria set out in section 3 and section 4, the applicant will be invited to submit a full bid. If this is not the case, the applicant will be declined to proceed and advised to better align any future expressions of interest with the policy.

6.3 The expression of interest online application form is available to complete with effect from X. This stage of the scheme will remain open until X. The scheme will remain open for full bids until X. The Council reserves the right to close the scheme at an earlier time and date or extend the duration of the scheme. Further details regarding scheme dates and deadlines will be detailed and regularly updated online. Any business or organisation considering making an application to the IRF is advised to subscribe to the Council's email business bulletin to ensure they receive up to date information in relation to the fund. You can subscribe [here](#).

6.4 The Council has contracted the Business Information Point (BIP) to provide a free project sponsor service to assist particular applicants with developing their applications and getting them 'bid ready'. The Council will refer an applicant to the BIP at the point when officers identify the need for this type of support, including tailored one-to-one support sessions and online workshops. The Council will fully cover the cost of this support provision to full bid IRF applicants.

6.5 Applicants who are invited to submit a full bid application will receive a digital application document via email. Applicants must complete this application form and return to the Council via email appending all the required evidence and supporting documents, such as quotes or any feasibility studies and business plans for example.

6.6 The Council reserves the right to request any supplementary information from applicants, and they should look to provide this, where requested, as soon as possible. The Council will suspend an application in the event an applicant fails to provide sufficient requested evidence. If this is not provided within the required timeframe communicated to the applicant in the request, the application may then be rejected.

6.7 An application to the Innovation and Resilience Fund is deemed to have been made when a duly completed full bid application form is received via the Council's inbox irf@eastdevon.gov.uk

6.8 Full details of the Council’s scheme, including how to apply are available online at [X](#) and marketed via the East Devon business update which all businesses are encouraged to subscribe to.

7.0 Assessing Applications

7.1 Full bid applications will be scored by officers using a scoring matrix. The table below outlines how points will be assigned:

Category	Description
Funding	Has the applicant committed to partially funding the project or secured funding from another source?
Employment	Will new higher wage employment opportunities be created or existing jobs safeguarded?
Diversification	Will this enable diversification or adaptation for new markets or working conditions?
Green	Will there be carbon savings or biodiversity enhancements?
Inclusive	Will there be employment, training or other opportunities for local low-income or disadvantaged individuals or graduates?
Risk	What is the likelihood of the project not achieving its core aims?
Value	Are the project costs reasonable and adequately evidenced?
Priority	Is the applicant in a priority group?
Local	Does the applicant seek to procure from an East Devon business?
Sustainability	For how long will the economic, social and environmental impacts of this project be felt?

7.2 The scoring matrix also contains pass/fail criteria based on sections 3.3, 3.4 and 4.3 of the Policy. The application must pass all of these pass/fail criteria if it is to be approved.

7.3 If the application fails any of the pass/fail criteria, or scores 20% or below of the available points in the scoring matrix, the application will either be rejected, or the applicant will be asked to amend their full bid application and resubmit it.

7.4 If an application both scores above 20% of the available points and passes the pass/fail criteria in the scoring matrix, the application will be presented to an IRF Panel of EDDC councillors who will make a final decision on each application. The total score will assist IRF Panel members in determining the competitiveness of a particular application. The IRF Panel can choose to approve the application, reject the application or ask the applicant to amend their full bid application and resubmit it.

7.5 Where amendments are required to a submitted full bid application, the Council may refer the applicant onto the BIP for further assistance and support.

7.6 Officers will use their discretion to determine how many points are awarded to each application, whether an application should be rejected before being presented to the IRF Panel or whether amendments and a resubmission of the application is required before or after being presented to the IRF Panel.

7.7 All decisions made by the Council shall be notified to the applicant by email.

8.0 Funding Agreement

8.1 Before any funds can be awarded, applicants must sign a Funding Agreement to ensure the business/organisation agrees to use the IRF grant payment to deliver the specific project milestones, sub-tasks and outcomes detailed in their application. The Funding Agreement will only be shared with applicants who have had their project approved for funding by the IRF Panel. The Funding Agreement will be provided to the applicant by email.

8.2 The purpose of the Funding Agreement is to ensure that IRF grant awards are not used for purposes which the Council considers to be inappropriate. The Funding Agreement is a legal document that will allow the Council to reclaim project funding from the IRF recipient should the terms and conditions set out in the Funding Agreement not be met.

8.3 If an application contains a match funding commitment, the applicant will also need to supply a separate legal agreement, as an appendage to the Funding Agreement, committing them or their funding provider to this spend.

8.4 Project funding will be dispersed as soon as possible from the point when both the full bid application has been approved by the IRF Panel and the Funding Agreement has been signed by both the applicant and the Council.

8.5 Successful applicants will be required to provide evidence to demonstrate that they have spent their project funding appropriately and in line with their supported project proposal and Funding Agreement. Applicants will also be required to provide regular updates to the Council to keep track of project milestones and whether the key project objectives have been met. Progress will be reported at relevant Council meetings with any personal or commercially sensitive information redacted. Further details regarding monitoring and evaluating will be outlined in the Funding Agreement.

9.0 Priority Groups

9.1 Project proposals which directly support the following businesses, places and people will be prioritised in the scoring matrix:

Sector:

- High tech engineering
- Digital technology
- Clean energy
- Sustainable transport and aviation/aerospace

- Cultural and creative industries
- Town centre retail
- Sustainable tourism
- Food & drink production
- Businesses which predominantly supply any of the above
- Community, not-for-profit and social enterprises

Place:

- Town centres and high streets
- Places that have scored highly on Devon County Council's vulnerability index: specific areas within Axminster, Exmouth and Honiton

People (applies only to sole traders):

- 16 to 24-year-olds
- Over 50s
- Applicants with a disability

10.0 Subsidies and EU State Aid

10.1 The EU State Aid rules no longer apply to subsidies granted in the UK following the end of the transition period.

10.2 The UK, however, remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

10.3 The Council can still pay out subsidies under previously approved schemes and this includes subsidies related to COVID-19 that have previously been given under the EU State Aid Temporary Framework.

10.4 Applicants should make themselves aware of their obligations under the Government's subsidies arrangements available on gov.uk

11.0 Scheme of Delegation

11.1 The Council has approved this scheme.

11.2 Officers of the Council will administer the scheme and the Section 151 Officer is authorised to make technical scheme amendments to ensure it meets the criteria set by the Council and, in line with Government guidance.

11.3 The Council reserves the right to change any element of this scheme at any time. Significant changes will be communicated via the Council's email business bulletins. You can subscribe [here](#).

12.0 Review of Decisions

12.1 The Council will operate an internal review process but will only accept an applicant's request for a review of its decision relating to a full bid application. Decisions relating to an expression of interest application will not be reviewed by the Council.

12.2 All such requests for a rejected full bid application to be reviewed must be made in writing to the Council within 14 days of the Council's decision. The request should state the specific reasons why the applicant is aggrieved with the decision of the Council and how the application is Policy compliant, meeting all the necessary assessment criteria. New information may be submitted at this stage to support the applicant's appeal.

12.3 The application will be reconsidered by a senior officer as soon as practicable, and the applicant informed in writing or by email of the decision. This decision shall be final.

12.4 A business/organisation can reapply to the IRF scheme if their initial application was rejected. A second application will only be considered if the proposed project differs significantly from the project proposed in the initial application. A business/organisation can only reapply once. If a second application is also rejected, any subsequent applications will be automatically rejected.

13.0 Complaints

13.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.

14.0 Taxation

14.1 The Council has been informed by Government that all payments under the ARG scheme are taxable.

14.2 The Council does not accept any responsibility in relation to an applicant's tax liabilities and all applicants should make their own enquiries to establish any tax position.

14.3 All applicants should note that the Council is required to inform Her Majesty's Revenue and Customs (HMRC) of all payments made to businesses.

15.0 Risk of Fraud

15.1 Neither the Council, nor Government will accept deliberate manipulation of the IRF scheme or fraud. Any applicant found falsifying information to gain grant money or failing to declare entitlement to any of the specified grant will face prosecution and any project funding issued will be recovered from them.

15.2 Applicants should note that, where project funding is awarded by the Council, details of each individual payment may be passed to Government.

16.0 Recovery of Amounts Incorrectly Paid

16.1 If it is established that any award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

17.0 Data Protection

17.1 All information and data provided by applicants shall be dealt with in accordance with the Council's Data Protection policy and Privacy Notices which are available on the Council's website.

17.2 Applicants will be made aware that detail about their application, including business name, contact details and amount awarded, will be shared with the department for Business, Energy and Industrial Strategy for the purpose of monitoring and evaluating the scheme. Details may also be shared with other Council departments and contracted parties for verification and anti-fraud purposes.

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