

CARMARTHENSHIRE BUSINESS GROWTH FUND

GUIDANCE AND TERMS & CONDITIONS



Carmarthenshire Business Growth Fund

Guidance for applicants

Introduction

As part of their ongoing commitment to supporting economic development and businesses Carmarthenshire County council are delivering Carmarthenshire Business Growth Fund.

The aim of the fund is to support local businesses and Inward investors to grow and prosper, resulting directly in the creation of jobs throughout the County, thus improving the local economy.

The Fund will be a third party grant scheme, which will include support towards capital expenditure projects and specialist revenue expenditure, where new jobs are a created as a result of the support.

The Offer

- Grants available between £1000 and £10,000.
- Each grant award will be based on 50% of eligible costs OR a maximum of £5000 per job created whichever is the lesser. (At least one new job must be created in order to access the fund)
- The minimum grant award is £1000 (based on at least one new job created) and the maximum grant award per business is £10,000 (based on at least 2 jobs being created)
- NB – Two part time jobs are considered as one full time equivalent. If **you are only creating a part time job, the grant will only be paid on a pro rata, i.e. max of £2500 for a part time job**
- The fund will support eligible businesses with their growth aspirations by providing a financial contribution towards capital expenditure projects and/or specialist revenue expenditure which will either enable further capital investment projects, improve quality of product / service or a specific growth plan which may involve high revenue costs.

Eligibility

The Carmarthenshire Business Growth Fund is funded and delivered by Carmarthenshire County Council and as such is only available for application to new or existing businesses within the eligible sectors that are located in or planning to locate within Carmarthenshire.

Support is aimed primarily at existing businesses to be operating in or servicing the following growth and foundation sectors:

- Advanced Materials and Manufacturing;
- Construction;
- Creative Industries;
- Energy and Environment;
- Finance and Professional Services;
- Information Technology and Telecoms;
- Life Sciences;
- Food & Drink;
- Tourism
- Retail
- Care

Applications will however be considered on a case by case basis subject to their potential contribution and value to the local economy, e.g. creation of jobs in town centres, rural areas, link to key strategic projects, such Yr Egin and Llanelli Life Science and Well-being Village.

The following sectors however are ineligible for support: - primary agriculture production, forestry, aquaculture, fishing and statutory services, e.g. health and education.

The Fund is available for businesses of all sizes which aim to implement their growth plans and **must result in the creation of jobs**. Applicants therefore must demonstrate their growth plans (and provide evidence where applicable) within the application process.

All expenditure associated to the grant must be completed within **4 months** of the date of approval letter. The proposed business and associated jobs must be created within 12 months of the final payment of grant. Monitoring of the business and jobs created will take place and evidence will be required. Failure to achieve the committed outputs could result in the claw back of grant funds.

Upon giving reasonable notice, Carmarthenshire County Council reserves the right to monitor and maintain evidence at 1, 3 and 5 years from the receipt of a grant application.

The grant will apply to capital and/or revenue expenditure within an approved project and can include:

Capital expenditure:

- Purchase of new or second hand equipment (machinery, specialist equipment, etc), not including vehicles.
- IT and Telecom hardware if linked directly to the delivery of the project
- Premises improvement / minor works to modify and improve premises to increase capacity, improve efficiency, incorporate new processes. ** For property related grants, applicants must demonstrate that they own the premises or have the

relevant consents from the landlord to undertake the works. If the premises is leased, applicants must have at least 7 years remaining of their lease period. Applicant must also show evidence that they have secured statutory requirement to undertake the works, i.e. planning permission, building regulations, etc.

- Charges associated to the delivery of any capital equipment

Specialist revenue expenditure:

- Specialist / technical training (not necessarily accredited)
- Commissioning / Installation of Machinery
- Specialist software
- Specialist Consultants (assessed on a case by case basis)
- Quality Assurance Certification (assessed on a case by case basis)
- Website development and e-commerce development
 - ** All websites associated to the grant must be produced bilingually.
- Marketing materials as part of a full marketing plan (assessed on a case by case business) *all marketing material associated to the grant must be produced bilingually

Ineligible expenditure includes: -

- General revenue expenditure such as, staff costs or any other taxes, hire purchase/lease purchases,
- Repair, maintenance and decoration costs,
- replacement fixtures and fittings, furniture and general office equipment etc.
- Contingency fees and costs which were committed or spent before the offer and acceptance of the grant.
- Working capital costs such as stock, rent, rates, administration.
- Certificates and licences.
- Costs of work being carried out as a legal statutory requirement, inc. planning permission.
- Feasibility studies
- If the business is VAT registered, then VAT will be ineligible. VAT will be payable in cases of non VAT registered companies.
- No expenditure should be incurred before grant approval as the grants cannot be awarded retrospectively.
- Cash purchases will not be considered for grant payment.
- Items purchased through lease purchase, hire purchase, extended credit agreements/finance leases will not be considered for grant funding.
- Items purchased with credit cards are eligible but applicant will need to demonstrate that the amount on the credit card bill has been paid in full prior to grant claim
- Professional fees associated with general business consultants including business plans/ BID writing and any fees associated in completing an application for grants purposes

The purchase costs of second-hand equipment are eligible for grant under the following conditions:-

- The seller of the equipment shall provide a declaration stating its origin, and confirm that at no point during the previous seven years has it been purchased with the aid of national or European grants;
- The price of the equipment shall not exceed its market value and shall be less than the cost of similar new equipment, and
- The equipment shall have the technical characteristics necessary for the operation and comply with applicable norms and standards, e.g. Health and Safety

Application and Assessment

All completed applications will be considered on first come first served basis until the fund is fully allocated. Each application must also be submitted by the specified deadline of each monthly panel. Any applications received after that date will not be assessed and ratified by the panel until the following month's meeting.

Each application will be assessed against the outputs of numbers of jobs created, value for money / grant per job created ratio and private sector investment levered by the grant as well as the viability of the business plan to support the growth plans

Each applicant will must complete and return the following:

- Completed Application Form,
- Completed project plan (template provided by Carmarthenshire County Council)
- At least 2 years historical accounts and recent management accounts, if available.
- 3 years projected forecasts (cash flow and/or profit and loss)
- Welsh Language Policy- Applicants will need to outline the ways in which the scheme encourages the development of the Welsh Language and retain local workforce
- All signage erected as part of the project will be required to be bilingual

Applicants should return the completed application form and supporting documents to:

Post:

Economic Development Team
Carmarthenshire Business Fund Team
Carmarthenshire County Council
Rural Business Centre
Nant Y Ci
Carmarthen
SA33 5DR

Email: businessfund@carmarthenshire.gov.uk

It should be noted that the Carmarthenshire Business Growth Fund is a discretionary grant and is subject to approval by Carmarthenshire County Council. Each application will be assessed by a panel made up of officers from the Authority prior to final approval by Executive Board Member, The Leader, Economic Development.

Procurement

Purchasing goods, services or works

When procuring works, goods and services, applicants are expected to conduct the process in a manner which ensures openness, value for money and fairness and must follow the procurement procedures as they are outlined in this section.

Procurement Thresholds

The precise procedures to be followed will depend upon the size of the order or contract to be let. Carmarthenshire County Council (CCC) operates a graduated set of procedures which

recognises the need to lighten administrative requirements for contracts involving smaller amounts. The procedures that we would expect applicants to adhere to are as follows:

Third Party Procurement Rules

| Requirement | Value (excluding VAT) | Procurement Process |
|-----------------------|-----------------------------|--|
| All | up to £5,000 | A minimum of 1 written Quotation <u>must</u> be obtained and retained. Best value for money must be obtained and reasonable care must be taken to obtain goods, works or services of adequate quality at a competitive price. A documented record to support the decision must be retained for audit purposes. |
| All | £5,000 and £25,000 | A minimum of 3 written Quotations <u>must</u> be sought from competitive sources*. The quotes must be based on the same specification and evaluated on a like for like basis. A documented record of the quotes sought, the evaluation process and the decision to award must be recorded. |
| All | £25,000 and £75,000 | A minimum of 3 written Quotations <u>must</u> be sought from competitive sources*. The quotes must be based on: <ul style="list-style-type: none"> • the same specification, • the same evaluation criteria and evaluated on a like for like basis. It is best practice to establish an evaluation panel. • the same closing date. A documented record of the quotes sought, the evaluation process and the decision to award must be recorded. |
| Goods and Services | £75,000 and £173,934 | A minimum of 4 tenders <u>must</u> be sought from competitive sources*, with a minimum of 2 tenders to be received** . All those tendering must be provided with the same information: <ul style="list-style-type: none"> • the same specification of requirements, • an outline of the evaluation criteria against which the contract will be awarded and • the same closing date for receipt of tenders, after which no submissions will be accepted. The evaluation process you follow must be consistent with the original evaluation criteria outlined and an evaluation report produced detailing on what basis the successful tender was awarded. It is best practice to establish an evaluation panel to evaluate tenders. ** In the event that only one tender is received, you <u>must</u> contact the Project Manager from Carmarthenshire County Council (CCC) to provide details and justification of the procurement process you have undertaken. The decision to proceed to purchase must be approved by CCC on a case by case basis. In circumstances where it is evident that more than one tender could be sought, there <u>may</u> be a requirement to advertise via Sell2Wales. |
| Works | £75,000 and £4,348,350 | A minimum of 4 tenders <u>must</u> be sought from competitive sources*, with a minimum of 3 tenders to be received** . All those tendering must be provided with the same information: <ul style="list-style-type: none"> • the same specification of requirements, • an outline of the evaluation criteria against which the contract will be awarded and • the same closing date for receipt of tenders, after which no submissions will be accepted. The evaluation process you follow must be consistent with the original evaluation criteria outlined and an evaluation report produced detailing on what basis the successful tender was awarded. It is best practice to establish an evaluation panel to evaluate tenders. ** In the event that only one tender is received, you <u>must</u> contact the Project Manager from Carmarthenshire County Council (CCC) to provide details and justification of the procurement process you have undertaken. The decision to proceed to purchase must be approved by CCC on a case by case basis. In circumstances where it is evident that more than one tender could be sought, there <u>may</u> be a requirement to advertise via Sell2Wales. |

| | | |
|---------------------------|-------------------------|---|
| Goods and Services | Above £173,934 | If a contract for Goods or Services is likely to exceed £173,934 the applicant must inform the project manager to determine whether the contract will be subject to EU Public Procurement Directives. |
| Works | Above £4,348,350 | If a contract for Works is likely to exceed £4,348,350 the applicant must inform the project manager to determine whether the contract will be subject to EU Public Procurement Directives. |

* It is possible for you to advertise on the National Procurement website, www.Sell2Wales.co.uk if you are in a situation where you have difficulty in identifying suppliers and/or would like to vary or attract new suppliers to quote or tender. Advertising via Sell2Wales is considered to be best practice, however you may feel that you are better able to identify potential suppliers who could provide the best overall offer.

N.B.

- **Failure to observe the relevant procedures outlined above will be considered non-compliant and may lead to a withdrawal of the grant offer and potential claw-back of funding.**
- **In cases where you are unable to satisfy the requirements of these procedures you must always inform Carmarthenshire County Council.**
- **If you have any queries as to how these procedures should be applied, you should contact Carmarthenshire County Council for clarification and further guidance.**

Avoiding conflicts of interest

We recognise that it is possible that applicants / developers or persons connected with them (such as relatives, business partners or friends) may wish to tender for a contract being offered by the applicant / developer. This is acceptable, but applicants will need to ensure that the tendering process is in an open, transparent and fair manner, as outlined above, which does not give one person or company tendering any advantage over another, which arises from the process.

If an applicant / developer or any person connected with them, has an interest in any of the potential bids for a contract offered:

- that applicant / developer, person or party with an interest must declare that interest in writing to the Project officer.
- that person or party with an interest should take no part whatsoever in any of the tender evaluation procedures;

Procurement Terminology

- **Contract:** an agreement between the purchaser and the supplier that is enforceable by law.
- **Competitive Source:** an independent provider bidding against another independent provider
- **Goods:** are material items i.e. equipment, food, vehicles etc
- **EU Public Procurement Directives:** are rules and regulations that Public Sector organisations must adhere to when procuring Goods, Works and Services over a certain value threshold (£173,934 for Goods and Services and £4,348,350 for Works contracts) - whereby an official Tender Exercise in accordance with the European Public Procurement Directives should be undertaken.
- **Evaluation:** a method of determining which offer provides the best value for money in accordance with the pre-determined evaluation criteria
- **Evaluation Criteria:** A list of key requirements taken from the specification that will enable suppliers to explain how they intend to deliver the requirement which will be evaluated. The criteria by which the most economically advantageous tender will be determined is based on a combination of price/cost and quality criteria.
- **Evaluation Panel** - It is best practice to establish an evaluation panel to undertake the evaluation exercise. It may be appropriate to have a cross functional team as a panel. Panel should agree specification and evaluation criteria. Panel should be consistent throughout each stage of procurement exercise
- **OJEU (Official Journal of the European Union):** is a publication in which all public sector contracts valued over a certain monetary threshold (currently (£173,934 for Goods and Services and £4,348,350 for Works contracts) must be published
- **Sell2Wales:** is a National Procurement Website where all public sector contracts are advertised. Third Party Grant Recipients can also advertise via the website free of charge, please email support@buy4wales.co.uk for further information.
- **Services:** tasks undertaken by people i.e. consultancy services, translation services etc
- **Specification:** this is a written statement that defines the requirements. The specification will vary according to the work, product or service concerned. For a simple product the specification may be a brief description, while in the case of a complex requirement it will be a comprehensive document.
- **Tender:** is the document compiled by a potential supplier in response to an invitation to tender. It sets out general information demonstrating the capability and eligibility of the supplier - including detailed information about how they propose to fulfil the specifications of the requirement.
- **Works:** include landscaping, construction, building works etc

Do's and Don'ts of Tendering

Do's

- ensure that any potential conflicts of interest are declared at the earliest opportunity.
- comply with the appropriate rules
- ensure that the specification is precise and not in excess of the requirements.
- ensure that the Evaluation Criteria is directly relevant to the subject of the contract
- ensure that quotes/tenders are evaluated on a 'like for like' basis.
- complete and retain full records for future reference and audit purposes.
- ensure that you treat suppliers in an open, transparent and non-discriminatory manner.

Don'ts

- Don't skew the specification to eliminate or to discriminate against suppliers.
- Don't change the scope of the specification once distributed.
- Don't change the evaluation criteria during the process.
- Don't give companies too short notice to quote.
- Don't enter into too much detail verbally with suppliers regarding specific questions.
- Don't reveal prices to potential suppliers.
- Don't breach confidentiality.
- Don't open quotes/tenders in advance of the deadline.
- Don't consider submissions received after the deadline.

State Aid

The Carmarthenshire Business Growth fund is operated under De Minimis regulation of State Aid that allows small amounts of aid i.e. less than €200,000 over 3 consecutive fiscal years, to a single undertaking for a wide range of purposes.

For further details read <http://gov.wales/funding/state-aid/de-minimis-aid/?lang=en>

Post Completion - Terms & Conditions

It should be noted that the Carmarthenshire Business Growth Fund is a discretionary grant and is subject to approval by Carmarthenshire County Council Executive Board Member.

The grant will be recovered should the business cease to trade, relocate or the property sold on within 5 years of award.

It is strongly recommended that goods purchased in relation to the grant are purchased using the business bank account.

Grants are paid retrospectively, therefore should the application be successful, the grant money is paid direct into the bank account of the applicant business. This is based on receipt or evidence of purchase and defrayment i.e. **original** or **on-line** printed bank statements and **original** invoices to confirm expenditure.

The applicant must accept the terms and conditions of the grant by completing the Notification of Approval and Terms & Conditions within 30 days from receipt. All expenditure associated to the grant must be completed within **4 months** of the date of approval letter.

The job(s) associated to the projects must be achieved within 12 months of the final payment of grant. Monitoring of the business and jobs created will take place and evidence will be required. Failure to achieve the committed outputs could result in the claw back of grant funds.

For all grant purposes monitoring of the claim and evidence will take place with prior notice at 1, 3 and 5 years from the date of award of the grant.

Should the project not proceed within the period stipulated in the offer of grant, the offer of grant will automatically lapse. An extension of the grant offer period can be made, provided that a request is made in writing. **Any variation to the Terms & Conditions set out in the Approval Letter must be requested and agreed**

Cash purchases will not be considered for grant payment.

Items purchased through lease purchase, hire purchase, extended credit agreements/finance leases will not be considered for grant funding.

Items purchased with credit cards are eligible but applicant will need to demonstrate that the amount on the credit card bill associated to the item(s) in the grant application has been paid in full prior to grant claim.

Grant may not be offered or paid if the business or applicant is in arrears with any payment to any of the participating local authorities operating the scheme.

Businesses can only apply for one Carmarthenshire Business Growth Fund.

Claw back of grant funds

Funding shall be withheld and/or, insofar as payment has been made, the grant recipient shall repay funding either in whole or in part, including if:

- a) there has been an overpayment of funding;
- b) during its economic life, the project undergoes substantial change defined as being used for purposes other than those specified in the application, or, having a change of owner without notifying Carmarthenshire County Council.

The economic life is the period up to 5 years from date of the final payment of grant and repayment of funding will be required as follows:

| Date of disposal of asset(s) | Amount to be repaid |
|-------------------------------------|------------------------------|
| Within 1 year | Funding to be repaid in full |
| Within 2 years | 80% of funding to be repaid |
| Within 3 years | 60% of funding to be repaid |
| Within 4 years | 40% of funding to be repaid |
| Within 5 years | 20% of funding to be repaid |
| After 5 years | No funding to be repaid |

The above are minimum repayment requirements

If the jobs are not created then the County Council has the right to reclaim the grant in part or in full.

The grant must be repaid in full on demand if:-

- the applicant is found to have made any misrepresentation in connection with the application;
- the applicant has breached the provision of condition above;
- the assets and property (if applicable) are not fully re-instated within 12 months of any occurrence giving rise to loss of or damage to the property.

SUBMISSION CHECKLIST

Please tick the following checklist to ensure all information has been submitted with this application.

| | |
|--|--|
| | Completed Application Form |
| | Completed Project Plan (<i>Template will be provided by Carmarthenshire County Council</i>) |
| | 2 years historical accounts (management accounts if available) |
| | 3 years financial forecasts (cashflow and P&L) |
| | Statutory Consents incl. Planning permission, building regulations (if applicable) |
| | Lease agreement (if applicable) |
| | Written Quotes (refer to guidance and terms and conditions documents) |
| | Proof of match funding |
| | Conflict of interest acknowledged and declared (if applicable) |
| | Welsh Language Policy |