



ORKNEY
ISLANDS COUNCIL

COVID-19 RECOVERY DEVELOPMENT GRANT

Scheme Guidelines

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1 Scheme overview

The COVID Recovery Development Grant (CRDG) is funded by Orkney Islands Council. The CRDG is a discretionary grant targeted at addressing the existing and ongoing challenges of COVID-19 to businesses located in Orkney. The aim of the grant is to support businesses to invest in new developments that increase efficiency, enhance access to new markets and improve competitiveness leading to future and sustainable business growth. Businesses capable of adapting to the challenges COVID-19 are seen as pivotal in contributing to the recovery and ongoing sustainable development of rural communities.

The CRDG will be delivered by Orkney Island Council's Economic Development team.

Key points:

- The CRDG will offer a grant contribution of up to a maximum of 50% of eligible project costs.
- The minimum CRDG grant being applied for must be £1,000.
- The maximum CRDG grant available will be £10,000.
- The CRDG will provide only the minimum grant necessary to make the project happen, such need to be clearly demonstrated in the application.
- All CRDG grants will be offered under the terms of the EU's *de minimis* aid regulation. Further information on this will be provided during the application process.
- Only costs incurred following approval of a CRDG application may be eligible for grant support.
- Eligible businesses will generally be trading full time and with a demonstrable trading record.
- It is anticipated that projects applying for the CRDG can deliver their project within 6 months of commencement.
- Applicants will, typically, be seeking to achieve a demonstrable improvement in business performance by investing in projects that involve capital expenditure, marketing costs, or other significant project costs deemed by the Council to be eligible in order to enable the applicant to adapt to COVID-19 impacts.

2 Company eligibility

The business must be located within Orkney and employ less than 250 people - i.e. Small, Medium Enterprises (SMEs).

All applicants for CRDG funding must be able to demonstrate a COVID-19 related business development project with measurable anticipated outcomes.

Franchise businesses are eligible to apply for the CRDG. They must be ethical franchises and accredited by the British Franchise Association (BFA). A current list of accredited businesses is available on the BFA website www.thebfa.org.

Where there is more than one owner of a business, e.g. a partnership, only one individual can apply but details of all individuals involved in the business must be provided. If the business is a limited company then details of all directors must be provided.

UK residents and those 'granted leave to stay' in the UK are eligible to apply for support. Evidence may be required, e.g. a passport or a letter from the Home Office granting leave to stay.

Applications from SMEs in the following sectors are strongly encouraged

- Tourism
- Food and Drink
- Low Carbon and Renewable energy technology
- Manufacturing
- Creative Industries
- Retail and Hospitality
- Construction and Trades
- Professional Services
- Community based social enterprise companies

Businesses which are account-managed by Highlands and Islands Enterprise, or in receipt of grant from another source of public funds, e.g. the EU or Scottish Government, will still be eligible to apply for CRDG funding – this can be clarified with Economic Development officers on an individual case-by-case basis.

Businesses will generally be trading full time and with a demonstrable trading record. Awards under the CRDG will be at the sole discretion of the Council.

Ineligible businesses

Certain business types are also not eligible, such as those involved in:-

- the sex industry
- politics
- religion
- nude or semi-nude modeling or photography
- pyramid selling
- or any business that may bring Orkney Islands Council into disrepute.

3 Project eligibility

The applicant must demonstrate a need for grant assistance for a project that will materially develop the business in terms of recovery developments and rebuilding towards post-lockdown trading conditions. The determination of eligibility in respect of any grant application under the CRDG shall be within the absolute discretion of Orkney Islands Council.

Although timescales will inevitably vary, it is anticipated that projects should be able to be delivered within 6 months of commencement. Projects are expected to commence once applicants have acknowledged and agreed to the terms and conditions contained within the letter of offer. If a project is likely to be outwith this timescale the Economic Development team should be made aware of this, either during discussion of the project or through the application. This will ensure we can accommodate any additional timescales from the start of the project.

The **CRDG grant** can be used to fund:

- capital expenditure, e.g. minor building improvements or new equipment;
- marketing costs, e.g. transformative website design/development
- new ways of adapting technology to improve efficiency; and
- a contribution towards other significant costs deemed to be acceptable by the Council.

The **CRDG grant** cannot be used for the following costs:

- patenting and intellectual property protection;
- property redecoration alone;
- creation of new bed spaces;
- legal or statutory costs;
- working capital;
- wage subsidy;
- debt repayment;
- advertising and general promotion costs
- stocks and consumables; or
- general running costs of the business.

4 Grant levels

The CRDG can provide between £1,000 to £10,000 towards total costs at a maximum 50% contribution, e.g. a £10,000 grant towards eligible costs of £20,000. Only the minimum grant required to make the project happen will be offered.

Businesses are required to pay the full cost(s) associated with the project prior to any grant funding being released, and should consider the cash flow implications of this before applying.

VAT registered business should not include the VAT element of any project costs in their application.

5 Initial project engagement

Any potential applicant looking for grant support from the CRDG should initially contact the Council's Economic Development team by email economic.development@orkney.gov.uk.

6 Application procedure

The applicant (with support from an Economic Development Officer, if required) should complete the CRDG grant application form. An application to the CRDG comprises:-

- A fully completed and signed application form
- A business development statement, outlining how the grant will enable the business to adapt to, and flourish beyond, COVID-19
- Historical financial information, if available and as deemed appropriate by officers
- Quotes for the project costs

The application will be submitted to an Economic Development Officer to ensure it meets the approval criteria. The Officer will conduct other appropriate checks as necessary which will include confirming the applicant has no outstanding Council arrears and may include confirming other funding awarded.

Eligible applications will be assessed by an Economic Development Officer before they are passed to the Economic Development Manager for a final decision.

Applicants will be informed of the outcome of their application within 15 working days of the final application being submitted and, if successful, will have 10 working days to accept the grant offer along with any conditions in writing.

7 Payment procedures

Payment of grants is made retrospectively on production of completed grant claim form(s), supported with evidence of payment in the form of bank or credit card statements showing the expenditure **AND original** receipted invoices or purchase receipts. **Applicants need to ensure they have financial arrangements in place to manage the cash flow requirements of retrospective grant payments.** Original documents will be stamped, copied and returned to the applicant. Claims should be submitted at the earliest opportunity of project approval.

The grant can only be paid out in respect of costs specified in the approved application, unless otherwise agreed by the Council in writing.

Payment will be made by BACS transfer into the business's designated bank account.

All applicants must be aware that payment of the grant will be withheld if:

- any guideline is not complied with (unless a written dispensation is obtained);
- any information is provided which is knowingly misleading or incorrect;
- any information required is not fully provided with copies of the appropriate source documentation.

Orkney Islands Council reserves the right to recover the grant if: any of the grant conditions are broken; a business ceases to trade; or a business relocates outwith Orkney within two years of receiving the grant.

8 Project outputs and results

It is important that Orkney Islands Council monitors and evaluates the efficiency, effectiveness and impact of the CRDG. To assist in this process, on completion of projects, businesses may be required to share information with OIC Development Officers on the output and results of the supported project specific to their company. This information will be gathered and analysed on an ongoing basis to allow full evaluation of the CRDG and to assist in potential future recovery grants schemes.

9 Other conditions

Equipment purchased with grant support may not be sold or disposed of within two years of receipt of grant, unless a replacement item is being purchased. In any event the Council's written permission should be sought in advance.

Orkney Islands Council reserves the right to use details of any project in receipt of grant funding for publicity purposes and to share information with parties appointed to monitor and evaluate the effectiveness of the funding. The names of all businesses and or individuals receiving support, and the value of the support, will be reported to Members of Orkney Islands Council.

Orkney Islands Council may be required to make an application or project proposal for Council funding available for public scrutiny under the Freedom of Information (Scotland) Act 2002. Applicants should make the Council aware of any parts of their application or proposal which may prejudice its interest if it were made public.

Additional conditions may be imposed on any applicant as may be considered appropriate by the Council on a case-by-case basis.

All applicants must be 18 years of age or over.

10 Scheme contact details

For further information contact:

 economic.development@orkney.gov.uk