



Digital Innovation Grant

Application Guidance

About

Digital Innovation Grants (DIG) is a demand led grant scheme designed to help small and medium sized businesses to develop their use of digital technology. By exploiting innovative digital technologies, businesses can access new markets, become more competitive, promote their products and services, and develop more productive ways of working.

It is important to note that the DIG Programme isn't a government discretionary grant that will automatically be paid to businesses that deem themselves eligible. DIG will be delivered through a competitive process, rather than first come, first served.

DIG is a £2.6m project that is funded 50% via European Regional Development Fund (ERDF) and 50% via the private sector. The project will be delivered across South Yorkshire on behalf of SCR by the Enterprising Barnsley team which is part of Barnsley Metropolitan Borough Council (BMBC).

To discuss your application please contact Enterprising Barnsley - Web Chat via www.enterprisingbarnsley.co.uk

How much grant is available?

- The maximum amount of grant available is £5k.
- The minimum amount of grant available is £1k
- Applications are invited from businesses with projects that have a **total cost** of £2k - £10k.
- Applicants must provide **at least** 50% match funding.
 - For example, for a £3k project the applicant would receive £1.5k of grant funding but must provide the other £1.5k of match funding.
- **The grant is not paid in advance.** Applicants must pay their nominated supplier in full before claiming the money back via Enterprising Barnsley. Under no circumstance will the grant be paid before evidence of defrayment is provided, neither will Enterprising Barnsley pay a grant direct to a supplier.

Who is eligible for the Grant?

To be eligible for this grant:

- Applicants must be applying for a new digital project that enables or accelerates the development of 'new to the firm' products or services, gives access to new markets, and/or helps to safeguard or create jobs. Examples are provided in the following section.
 - The grant can also contribute to process innovation providing that the process contributes to the development of a new product or service.
- Applicants must be a business based in Sheffield City Region (Barnsley, Doncaster, Rotherham or Sheffield). The address must be the registered office or trading address of the business. If the applicant works from a residential property as their main business base, they are still allowed to apply but those using 'virtual' tenancy agreements will be precluded from applying.
- Applicants must be classified as an SME (Small or Medium-sized Enterprise). The basic eligibility for the scheme is described by the European Commission definition of an SME. To be eligible the business must be a trading entity. So, a Sole Trader is eligible and so are not-for-profit organisations so long as they meet the SME definitions. The business must,
 - Have fewer than 250 full-time equivalent (FTE) employees or volunteers. FTE means a full-time employee (30 hours or more per week) counts as one unit, and a part-time employee counts as a fraction of one unit.
 - Have a turnover of less than 50m euros and/or have a balance sheet of less than 43m euros
 - Have received less than 200k euros in public grants in the last 3 years (the de minimis limit)

- Applicants must have a business bank account linked to the specific business applying for the grant. Grants will not be paid into personal accounts.
- Applicants which have been trading for under 12 months must complete additional verification checks to examine the credentials and financial viability of the business.
- Applicants **must not** operate in a sector which is excluded from the scheme, namely:
 - Fishery and aquaculture
 - Primary production
 - Processing and marketing of agricultural products (which are already supported by the European Agricultural Fund for Rural Development)
 - Coal, steel and shipbuilding
 - Synthetic Fibres Sector
 - Generalised (school age) education
 - Banking and Insurance Companies
- Applicants **must not** only serve local customers (i.e. customers within South Yorkshire) – businesses which do will be precluded from applying due to the economic displacement that this would cause. If the applicant **does** serve local customers, the application must be for a project which will enable them to serve customers outside the local area (e.g. an e-commerce website for serving national/international customers via online retail).
- Applicants **must not** have a parent company or linked enterprise which does not meet the eligibility criteria. If enterprises are linked, they will be treated as a single entity.
- Applicants **must not** be in financial distress, and must have the resources to implement the project, and the ability to survive following the impact of COVID-19.
- Applicants **must not** have received total state aid in excess of €200,000 over the last 3 years. Businesses exceeding this level of state aid funding will not be eligible.

What Expenditure is Eligible?

Grants will be offered to help fund superior ICT business solutions for SMEs that will provide significant business benefit and growth. This may include, but is not limited to

- Client Relationship Management systems
- Cloud solutions
- New software development
- Remote monitoring and working solutions
- Collaboration technologies
- Large data transfer solutions
- Live high-quality video streaming
- Voice over Internet Protocol (VoIP)
- New laptops, desktops or tablet computers and other peripheral devices, e.g. printers. *
- Development of apps
- E-commerce solutions.
- Integration and consultancy costs

Below are a few practical examples of the types projects that would be welcomed, but because of the nature of innovation, it would be too restrictive to provide a list of specific projects that would be eligible for a DIG. To address this, eligible costs will be those where satisfactory evidence can be provided which demonstrates the following:

- A business problem/issue faced by the SME that could be improved through an ICT innovation, including information about the area of the business that will benefit.
- How the project will enable the business to introduce a new product or process innovation to market

- How the project will make the business more productive
- A step change that will help the business grow
- That the proposals are viable, offer value for money, are realistic and deliverable

Please note that Funding can only be issued to achieve ‘Additionality’ i.e. to add value. It cannot be used to merely replace old equipment or infrastructure, where no value is added to a firm’s current performance or capacity.

Similarly, a standard website (with no additional functionality such as e-commerce capabilities) would not be an eligible project.

Examples of potential projects could include

A manufacturing business investing in a new digital printer to rapidly bar code all manufactured items, which will allow it to update its online inventory and improve efficiency in the production process

A business investing in a new smart technology for its vehicles, which provides real time intelligence on the location of delivery vehicles for clients and more accurate information about delivery timescales.

A business investing in a new fully e-commerce enabled website, which links through to its stock control/inventory system, allowing the firm to increase its customer base and offer a seamless user experience

Excluded Costs

Below is a list of excluded costs, this isn’t an exhaustive list and the Programme Management Team have the discretion to omit costs if they deem them ineligible and/or not within the scope of the project.

- Any retrospective costs incurred prior to the issuing of a DIG funding agreement.
- Reimbursement of goods/services already purchased prior to the date of a grant offer letter
- Repayment of existing loans or debts
- Recurring revenue costs (salaries, pensions, stock, rent, utility charges, service charges subscriptions, insurance, tax, recruitment fees, website hosting, equipment hire etc.)
- Line rental and on-going maintenance costs associated with implementing a broadband product
- Repairs and maintenance to existing technology
- Like-for-like replacement of existing items
- Accredited training
- Licenses or subscriptions for services which would extend beyond the end of the DIG programme (currently December 2022)
- Marketing costs
- Any items where the applicant already has, or intends to get, EU or national funding
- VAT

Other conditions to be aware of

Other conditions relating to the use of grant funding include:

- Funding will only be provided for the acquisition of assets i.e. not for leasing or hiring equipment or on-going revenue expenditure (including digital marketing/advertising, etc.).
- Only one application per business.

- Applicants must enter into a contract with the supplier within 2 months of the date of the offer of grant. After 2 months BMBC reserve the right to withdraw the offer and reallocate the funding.
- Applicants will be given a timeframe of 6 months to complete their investment, from the point of receiving approval for a grant. After this time, BMBC reserves the right to cancel the grant.
- Grants can be for either one technology solution or a bundle of solutions. Nevertheless, quotations will be required for each solution.
- BMBC reserves the right to cancel a grant once issued to an applicant if we suspect fraud has been committed.
- Project costs must be paid and claimed retrospectively, under no circumstance will grants be paid upfront or directly to a supplier.
- Grants will not be paid to applicants who are linked enterprises of the supplier(s).
- If an applicant would like to request feedback on their unsuccessful application before they reapply, this must be done in writing to digitalinnovationgrants@barnsley.gov.uk

How do I apply for the Grant?

The application is online, to apply please click on <https://grants.enterprisingbarnsley.co.uk/>

- If you have a registered disability and require additional support, please email digitalinnovationgrants@barnsley.gov.uk

How are grant applications assessed?

- As soon as your application is received, an eligibility review of your proposal will be undertaken, based on the details and the supporting information that you provide. You may also be asked for additional information during this process, to enable an assessment of, for example, eligibility, financial viability etc.
- Your application will then be submitted to a Grant Assessment Panel who will consider each proposal against the aims of the grant scheme and take a final decision.
- The Grant Assessment Panel will review the answers to your questions and the applications that score the highest, and have the greatest economic impact, will be considered for a grant.
- Applicants who are rejected will be informed by email within 20 working days of the Grant Assessment Panel
- Successful applicants will be issued with a Grant Offer Letter within 20 working days of the decision by the Grant Assessment Panel – however this may take longer if applicants are required to provide any further clarification / information. The Grant Offer letter will need to be signed and returned to accept the terms of the grant. Please be aware, full compliance with the eligibility criteria does not guarantee that your application will be successful, as grants are discretionary.
- If the Programme Management Team are not fully satisfied that a submission is legitimate, they withhold the right to decline the application.

Timeframe

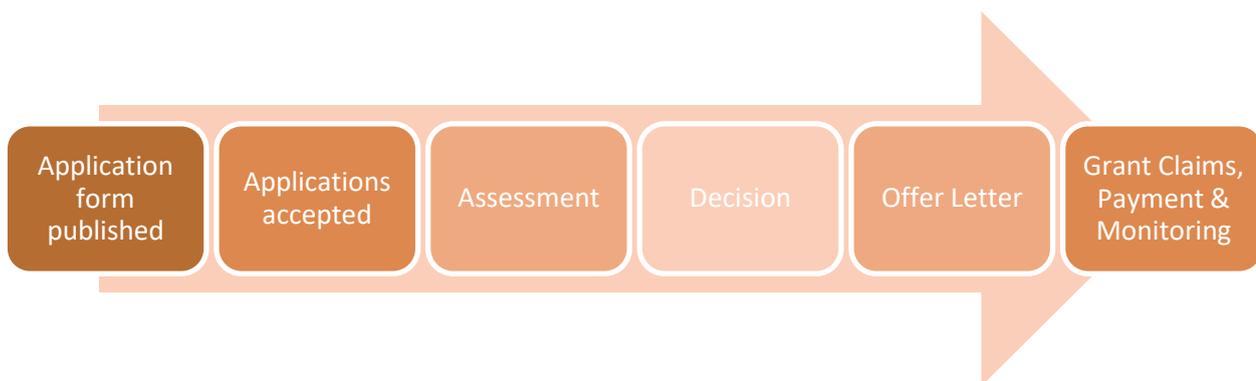
- Open call for DIG applications Monday 2nd May 2022
- Closing date for DIG applications midnight Friday 13th May 2022
- Assessment and Decision of the grant panel by the 7th June 2022
- Applicants notified whether they have been successful by the 21st June 2022

It is estimated that calls will open again in July 2022, September 2022, and November 2022 at the discretion of BMBC and subject to available funding.

How do I claim the grant?

- If your grant is approved, you will be issued with a formal Grant Offer Letter that will include information about your grant offer and eligible project costs, conditions of the offer and information on how to claim the grant.
- Once you have formally accepted the grant offer by signing and returning the Grant Offer Letter, you can begin expenditure on the project. It is important to note that costs incurred before the acceptance of the offer cannot be supported.
- To claim your grant, you will need to submit a short Claim Form and provide supporting documentary evidence:
 - Copies of invoice(s) for all items being claimed from the supplier of goods and/or services to the business (documents must be certified as true copies of the original documents, dated, and signed).
 - Copies of bank statements of the applicant business confirming payment (documents must be certified as true copies of the original documents, dated, and signed).
 - If you pay your suppliers using a credit card, a certified credit card statement showing payment(s) to the supplier, plus a certified redacted business bank statement showing full payment to the credit provider.
- Please note, you can make **only one claim for the whole grant value after you have spent all the planned project costs. BMBC will not accept interim claims.** You must submit a claim within the timescale indicated on your grant offer letter
- BMBC reserve the right to visit any grant recipient to ensure the grant has been used for the purpose stated in the Grant Agreement, inspect records to show that costs have been evidenced and make a formal assessment of the impact of the project. Grant recipients are obliged to cooperate with this process.

Application Process



Completing the application form

Please use the information in this section to answer each question in the application form as fully as possible.

Section 1: Applicants Details

- Please provide details of your business, including details of the primary contact for the project. This should be the person the Project Administrators will contact any questions regarding the application.
- We require details of all active Directors so we can discount any potential links between applicants and suppliers.
- The Business Address must be where the activity will take place.
- If you have had any 'state aid' within the last three years, please indicate this in the table provided.

Section 2: Assessment

- There are four questions to answer in section 2. For the panel to get a good understanding of the project a comprehensive answer is required for each question. This is a competitive process and there is a finite amount of money available therefore you will be in competition with other businesses for the funding.
- The four questions will be scored independently by three panel members (details of scoring and weighting included below), and members' total scores will then be averaged to produce the application's final percentage score.
- Applications with an average score of 50% or more will be 'approved in principle'. These applicants will be contacted to provide copies of the quote(s) from their proposed supplier(s), and advised of the next steps.
- Applications with an average score below 50% will be rejected and informed of which questions they did not sufficiently answer, and/or any eligibility issues.
- The below guidance is provided to help you answer the questions and focus on providing the information required to score highly.
- **Please note that this isn't a government discretionary grant therefore providing minimal information will not be accepted.**

Question 1 - What is the project?

An overview is required so the Grant Panel understands what the applicant is looking to purchase; what they are ultimately looking to achieve with the project and an understanding why the applicant requires public funds to deliver the project.

Information required

- What is the business looking to acquire with the grant funding?
- What is the overall objective of the project? - Explain as expressively as possible the ultimate, "big picture" vision and purpose of your completed endeavor.
- Explain why grant funding is needed, with reference to the viability of the project with or without grant funding.

Total Score Percentage: 30%

Scoring Method: Assessors will score each of the three 'Information required' points above out of 5, based on how well the applicant has answered, explained, and evidenced.

Question 2 – How will this project help the growth of your business?

A response is required from the applicant so the Grant Panel has a detailed understanding of the problems currently being faced by the applicant and how the grant will help resolve the specific issue(s). The applicant must make it explicitly clear that the investment is contributing towards the development or creation of new products or services and is contributing towards a wider growth plan for the business. Applicants will be prioritized if they can evidence that the investment will contribute to the business trading or aspiring to trade on a global stage

Information required

- Describe in detail the problem(s) currently being faced by the business.
- Describe how the investment will resolve the problems and contribute to the development or creation of new products or services.
- Evidence how the investment is aligned to the companies overarching growth strategy, referencing your 'target market' i.e. local, regional, national, international).

Total Score Percentage: 30%

Scoring Method: Assessors will score each of the three 'Information required' points above out of 5, based on how well the applicant has answered, explained, and evidenced.

Question 3 - Who Will Benefit from your Project?

Details of the outputs the grant will directly help achieve is required in this section. Below is a list of possible outputs that the project could deliver, this is not an exhaustive list.

The economic impact of the project will be a key element in helping the Grant Panel decide which applicants receive the funding. These outputs will be audited and evidence sent to Government for verification therefore it is important they are deliverable and realistic.

Information required

- Summarise the economic benefits outputs that the project will be projected to deliver. This could include
 - Introducing new products, services or procedures
 - Accessing new markets
 - Safeguarding existing jobs
 - Creating New Job Opportunities
 - Increased Turnover
 - Increased Profit

Total Score Percentage: 30%

Scoring Method: Assessors will score each of the six economic impacts above out of 5, based on how well the applicant has answered, explained, and evidenced, based on their free-text response and the figures provided.

Question 4 - Can you explain the rationale behind your chosen supplier/provider, demonstrating the chosen supplier's experience and/or value for money?

To ensure the project is delivering value for money and to minimize the risk of fraudulent activity the applicant needs to provide an explanation of how and why they have chosen the specific supplier. Even though x1 quote is allowed those providing and evidencing multiple quotes will be prioritised.

Information required

- Satisfy that the proposals are viable, offer value for money, are realistic and deliverable
- Highlight which supplier(s) you have approached and why.
 - Provide details of any other suppliers (i.e. ones you have not chosen to use) which you approached for quotes to make sure you are getting value for money.
- Detail the quotes received and the reason why a specific supplier was chosen. If you have an existing relationship with the supplier, please state what this is.
 - Provide details about the specific quotes received from your chosen supplier
- If only one supplier has been approached, explain why.

Total Score Percentage: 10%

Scoring Method: Assessors will score each of the four 'information required' points on a yes/no basis, based on whether the applicant has sufficiently answered, explained, and/or evidenced. (Applicants who have demonstrated that they have approached more than one supplier will gain an automatic 'yes' for 'If only one supplier has been approached, explain why.')

Applicants who are linked enterprises of and/or have an existing formal relationship with their supplier will be rejected.

For more advice on procurement please see page 9

Section 3: Confirmations

- Please read and agree to the privacy policy, data usage statement, and the terms and conditions of the scheme, and make the necessary declarations before submitting your application.
- If your application is successful you will be sent a PDF copy of your application to sign and return.

Procurement Guidance

- The basis of procurement regarding products or services supported by grant award from this programme is one of 'business choice'. This means that you as the business decides who your preferred supplier is. You will only be required to provide a copy of the quotation of your preferred supplier for your grant request to be considered. However, as a matter of good business practice we would suggest that you may want to seek alternative quotations to ensure you are going to get best value.
- It is both the business, and Programme Management team's responsibility to ensure that best value is being obtained from public funds and the team do reserve the right to seek further information from you to confirm your decision.
- The quotation of the preferred supplier must be adequately detailed and fully align with the information on your Grant Application form.
- It is not permissible for any arrangement to be made between yourselves and the provider organisation which may be seen as any form of 'payment offset' for example credit notes or related financial transactions which in any way reduces the Gross Cost of the products or services, or in any way reduces the net contribution you are making to these costs.
- For successful grant applicants, there is a requirement for them as part of the grant claim process to demonstrate full payment before making their claim. This means that any form of lease or hire purchase agreement will not be acceptable.

Document Retention

You will be required to retain documentary evidence of the support received, and to provide certified copies of this evidence to the Programme Management Team to claim the ERDF grant and to retain originals which must be made available for inspection by an auditor.

You must retain the original documentation about the grant as per the 14-20 ERDF Document Retention Requirements. Records must be kept for 10 years after the last aid is granted under the scheme. For ERDF projects, the last aid may not be granted until 2023 meaning that documents will need to be retained until 2033. In the event that your business ceases trading within this period, the documentation must be passed to the Programme Management Team to retain as per the 14-20 ERDF Document Retention Requirements.

The evidence to be retained includes:

- The grant offer letter;
- Any agreement between yourself and the service provider detailing the type of support being provided, the timescale for delivery and the total cost, including VAT;
- The original invoice from the service provider;
- The bank statement(s) showing payment of the total cost of the service to the provider;
- Procurement evidence.