

# GROWING KENT & MEDWAY'S 'BUSINESS SUSTAINABILITY CHALLENGE'

## Guidance for Applicants

These guidelines have been prepared to support you to complete your application.

- We recommend you register as a [Growing Kent & Medway member](#) before you begin your application. This will allow you to save, edit and retrieve your draft application form. A video explaining the application process is available [here](#).
- The application form should be completed by the lead applicant business.
- Please ensure that you fill in all mandatory fields or your application may not be processed.
- You will be required to download a separate excel file '[Eligible Costs Calculator](#)' to complete your financial information in section 'G'.
- If you have any questions about the application process which are not covered in these guidelines, please contact [gkmchallenge@kent.gov.uk](mailto:gkmchallenge@kent.gov.uk).
- If you want to discuss your project idea to see whether it is in scope, be connected with partners or require advice on how to answer the questions in section F (Project Details) then a GKM Innovation Manager will be happy to talk to you. Either book an appointment via [Calendly](#) or email [contact@growingkentandmedway.com](mailto:contact@growingkentandmedway.com).

SECTION A: COMPANY CONTACT DETAILS	
This section is to determine who we should contact throughout the application process	
<b>Contact Name</b>	The person completing this application should be able to make decisions on behalf of the business.
<b>Job Role</b>	We would expect the applicant to be a senior member of the business with the authority to take responsibility for accepting the terms and conditions of the award.
<b>Tel No.</b>	Please provide the phone number where you can best be contacted during working hours.
<b>Email address</b>	This will be the main method of contact through the application process and subsequently post award. This email address will be used to inform you of application status and any actions required. Please ensure email is correct.
SECTION B: COMPANY DETAILS	
This section is to determine more about your company – the details from this section will help us to determine your eligibility to receive funding. If you have any questions about this section which are not covered in these guidelines, please contact <a href="mailto:gkmchallenge@kent.gov.uk">gkmchallenge@kent.gov.uk</a> .	
<b>Registered Company Name</b>	The name of your company as it appears on Companies House register (or equivalent)
<b>Companies House registered number or alternative</b>	If you are a registered company provide your Company Registration Number (CRN). If you do not have a CRN then please provide your VAT Registration Number, Self-Assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference or Registered Charity Number.

<p><b>If you have entered an alternative to a CRN above please select what this reference number is from the drop down</b></p>	<p>Choose from a drop-down list:          Company Registration Number (default)          VAT Registration Number          Self Assessment Number          Partnership Number          National Insurance Number          Unique Taxpayer Reference          Registered Charity Number          Other (Please Specify)</p>
<p><b>Registered company address</b></p>	<p>Please indicate the registered office address.          The application form has a postcode look-up function. If this is used the form may prevent you from amending the 'building name' and 'street' fields. If this happens click the 'X' on the right hand side of the 'Postcode Look-Up' field and you should then be able to amend these fields.</p>
<p><b>Is your trading address different from your registered address?</b></p>	<p>This may be used for our geography eligibility check, for example if your registered address is outside of the eligible region (see eligible postcodes below) but your trading address is within the eligible region.</p>
<p><b>Trading address</b>           [Conditional Field – will be present or absent on form depending on how you answer the previous question]</p>	<p>Please indicate the trading address (if different from the registered office address)</p>
<p><b>Does your registered or trading address fall within the region of Kent and Medway?</b></p>	<p>Growing Kent and Medway is a place-based programme and our grant support programme is therefore targeted at companies and projects that will have a positive impact in the region. We have defined the region which we are supporting through this programme with a list of eligible postcodes.</p> <p><b>List of Eligible Postcodes:</b> BR6, BR8, CT1, CT2, CT3, CT4, CT5, CT6, CT7, CT8, CT9, CT10, CT11, CT12, CT13, CT14, CT15, CT16, CT17, CT18, CT19, CT20, CT21, DA1, DA2, DA3, DA4, DA9, DA10, DA11, DA12, DA13, ME1, ME2, ME3, ME4, ME5, ME6, ME7, ME8, ME9, ME10, ME11, ME12, ME13, ME14, ME15, ME16, ME17, ME18, ME19, ME20, TN1, TN2, TN3, TN4, TN8, TN9, TN10, TN11, TN12, TN13, TN14, TN15, TN16, TN17, TN18, TN23, TN24, TN25, TN26, TN27, TN28, TN29, TN30.</p>
<p><b>If your trading and registered address is outside of the eligible postcodes for this competition please use this field to explain why your business should be considered eligible for this regional funding</b></p>	<p>If both your registered and trading address falls outside of the eligible region (as defined by list of eligible postcodes above) we ask you to outline why your business should be considered eligible for this regional funding.          Please provide a percentage of your companies economic activity that is within the eligible region and briefly describe what this activity is. This field should not take into account the economic activity of any collaborators (if applicable) as it is the lead applicant alone who will be checked for geographical eligibility.</p>

[Conditional Field – will be present or absent on form depending on how you answer the previous question]	
<b>Website Address</b>	If you have a company website please insert the URL link. If applicable, please also add links to your social media accounts.”.
<b>Company profile</b>	Provide a brief summary (we suggest no more than 200 words) of what your organisation does.
<b>Where did you hear about this grant?</b>	<p>This question is to help Growing Kent and Medway to better target communications for future competitions. Choose from a drop-down list:</p> <ul style="list-style-type: none"> <li>-Press or media article</li> <li>-Referral from another business or business support organisation</li> <li>-Referral from other Growing Kent &amp; Medway service or staff</li> <li>-Social media</li> <li>-Event</li> <li>-Growing Kent &amp; Medway email newsletter</li> <li>-Search engine</li> <li>-Other (please specify)</li> </ul>
<p><b>SECTION C: COMPANY DECLARATION</b></p> <p>Growing Kent &amp; Medway provides funding in line with the UK's obligations and commitments to Subsidy Control. This section is to determine what level of subsidy you, as lead applicant, are entitled to. This section is to be filled out by the lead applicant only.</p> <p>If you have any questions about this section which are not covered in these guidelines, please contact <a href="mailto:gkmchallenge@kent.gov.uk">gkmchallenge@kent.gov.uk</a>.</p>	
<b>Business type</b>	<p>Which category best describes your business? (choose from drop-down):</p> <ul style="list-style-type: none"> <li>• Limited company</li> <li>• Sole Trader/Self-employed</li> <li>• Partnership</li> <li>• Charity/Social enterprise (not for profit)</li> </ul>
<b>Business sector</b>	<p>Describe the sector your business operates in i.e. you could use the SIC* code and SIC code descriptions as per your companies house return to describe the nature of the business.</p> <p>Alternatively use a description that sums up your business sector in less than a sentence.</p> <p><i>*Standard Industrial Classification (SIC) codes provide Companies House with a description of your company's nature of business/trade description.</i></p>
<b>How many employees does your business have (based on full time equivalents)?</b>	<p>We need this information to help determine and verify your company size. A full time equivalent or FTE is equivalent to the number of hours a full-time employee works for an organisation. For example say that the normal working hours are 37 hours per week, if you had 2 part time employees working 14.8 and 22.2 hours per week then together they would make up 1 FTE (14.8 + 22.2 = 37).</p>

<b>What was your turnover at the last year end?</b>	We need this information to help determine and verify your company size. Please enter this amount in £.																
<b>What was your balance sheet total at the last year end?</b>	We need this information to help determine and verify your company size. Please enter this amount in £.																
<b>What size company are you currently?</b>	<p>Information from the three fields above are used to define what size company you are. Please consult the table below and select one of the drop-down options:</p> <ul style="list-style-type: none"> <li>• Micro</li> <li>• Small</li> <li>• Medium</li> <li>• Large</li> </ul> <p><b>What size company am I?</b>          Company size is determined by its:</p> <ul style="list-style-type: none"> <li>• Turnover</li> <li>• Balance sheet total</li> <li>• Average number of employees</li> </ul> <p>Any companies that do not meet the criteria for micro-entities, small or medium are large companies.</p> <p>You must meet at least two of the following conditions:</p> <table border="1" data-bbox="611 1008 1369 1400"> <thead> <tr> <th>Company size</th> <th>Turnover</th> <th>Balance sheet total</th> <th>Average number of employees</th> </tr> </thead> <tbody> <tr> <td><b>Micro</b></td> <td>Up to £632,000</td> <td>Up to £316,000</td> <td>Up to 10</td> </tr> <tr> <td><b>Small</b></td> <td>Up to £10.2 million</td> <td>Up to £5.1 million</td> <td>Up to 50</td> </tr> <tr> <td><b>Medium</b></td> <td>Up to £36 million</td> <td>Up to £18 million</td> <td>Up to 250</td> </tr> </tbody> </table> <p>For further information on company sizes, please refer to the <a href="#">companies house accounts guidance</a>.</p> <p>If your business is classified as a large business you are not eligible to apply for this grant as the lead applicant - please see our <a href="#">eligibility criteria</a> for further guidance. If you would like help to find an eligible partner to be the main applicant get in touch (<a href="mailto:contact@growingkentandmedway.com">contact@growingkentandmedway.com</a>)</p>	Company size	Turnover	Balance sheet total	Average number of employees	<b>Micro</b>	Up to £632,000	Up to £316,000	Up to 10	<b>Small</b>	Up to £10.2 million	Up to £5.1 million	Up to 50	<b>Medium</b>	Up to £36 million	Up to £18 million	Up to 250
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<b>Is your business part of a group or have a parent company?</b>	<p>If your business is linked to other businesses, we may need to consider your business size and subsidy received across the group of businesses as a whole.</p> <p>The most common circumstances under which businesses are considered to be linked include:</p> <ul style="list-style-type: none"> <li>• one business holds a majority of the shareholders' or members' voting rights in another business</li> </ul>																

	<ul style="list-style-type: none"> <li>• one business is entitled to appoint or remove a majority of the administrative, management or supervisory body of another</li> <li>• a contract between the business, or a provision in the memorandum or articles of association of one of the businesses, enables one to exercise a dominant influence over the other</li> <li>• one business is able, by agreement, to exercise sole control over a majority of shareholders' or members' voting rights in another</li> </ul>
<p><b>If your business is part of a group or has a parent company please provide further details</b></p> <p>[Conditional Field – will be present or absent on form depending on how you answer the previous question]</p>	<p>For each linked company or for the parent company please include business name and CRN, number of employees, turnover and balance sheet total.</p>
<p><b>Has your business previously received Subsidy or State Aid, including but not limited to covid business support, in your current financial year or previous two financial years?</b></p>	<p>The grant support being offered by Growing Kent &amp; Medway is considered a subsidy (formerly known as State Aid) and must be provided in line with the UK's obligations and commitments to Subsidy Control. To be eligible for support from Growing Kent &amp; Medway we require that you declare the amounts of public funding and Subsidy/ State Aid previously received. This includes small amounts of financial assistance provided in response to the Covid outbreak.</p> <p>If you answer 'Yes' to this question, we request that you supply further information (as prompted on the form). If you are unsure about whether any previous funding you received is affected, then please include it.</p> <p>Please find our additional guidance on subsidy and state aid <a href="#">here</a>.</p>
<p><b>I certify that the business is not in financial difficulty, is solvent, and no distress or execution has been levied against it.</b></p>	<p>Please advise whether, in the last 12 months, the business has:</p> <ul style="list-style-type: none"> <li>• Seen a reduction of more than 50% of the business capital/subscribed share capital as a result of accumulated losses?</li> <li>• Been subject to insolvency proceedings?</li> <li>• Received rescue aid and has not yet reimbursed the loan or terminated the guarantee?</li> <li>• Received restructuring aid and is still subject to a restructuring plan?</li> <li>• Been subject to creditors taking control of any goods or property?</li> </ul>
<p><b>I certify that the business has the matched funds in place to contribute to the project.</b></p>	<p>Certify that you have the matched funds in place to contribute to the project.</p>

<p><b>I certify that the business will use the funding only for activities eligible under this scheme.</b></p>	<p>Certify that you will use the funding only for activities eligible under this scheme.</p>
<p><b>I certify that I understand and will comply with the terms and conditions of the legal agreement.</b></p>	<p>A legal agreement (draft) has been prepared and is available for review <a href="#">here</a>. Successful applicants will be sent a pre populated version of this draft document for review and signing when they are informed of the outcome. This legal agreement will be between NIAB (on behalf of GKM) and the lead applicant. This legal agreement does not mention any project collaborators (if applicable). The lead applicant should append any collaboration agreements and additional legal agreements between collaborating businesses to this contract if applicable.</p>
<p><b>SECTION D: COMPANY COMMITMENT</b></p> <p>This section is to determine your commitment to the conditional requirements of receiving Growing Kent &amp; Medway funding. If you have any questions about this section which are not covered in these guidelines, please contact <a href="mailto:gkmchallenge@kent.gov.uk">gkmchallenge@kent.gov.uk</a>.</p>	
<p><b>Publicising non-confidential project details and case study</b></p>	<p>Growing Kent &amp; Medway (GKM) will publicise funded projects by means of a press release giving brief, non-confidential details of the project and the grant amount. In addition, GKM will produce a case study using non-confidential information to promote this project. Case studies are important and help promote the success of the project using non-confidential information. The case studies can also serve to raise your company’s exposure. If you select ‘No’ we will not be able to award you funding in this competition.</p>
<p><b>Growing Kent &amp; Medway’s Social Value Commitment</b></p>	<p>Growing Kent &amp; Medway (GKM) is using public funds to support this grant call. Beneficiaries of GKM grants from this programme are asked to contribute towards the social value aspirations of GKM.</p> <p>Delivering social value is a condition of this funding. Please see our <a href="#">social value guidelines</a> for further guidance on completing this section.</p> <p>As a guide we suggest a commitment of one to three days from participating businesses depending on the grant amount you will claim.</p> <ul style="list-style-type: none"> <li>• One day of which will be on your GKM story. We see your story being a fundamental activity to demonstrate what you have achieved, how GKM has been instrumental in bringing about change, maybe to form the basis of a wider case study for GKM and most importantly, to inspire the next cohort of would-be businesses in the region. We ask that you participate, together with GKM communications team, to create your GKM story which could include a video and/or some written content.</li> <li>• Additional days would be based upon your own plans for delivering social value which you may already be doing or may want to explore other routes to delivering social value</li> </ul>

	<p>in the region, some suggestions are outlined in our <a href="#">social value guidelines</a>.</p> <p>In this section in addition to asking for your commitment we ask you to briefly outline some ideas of how you would like to deliver social value covering the following:</p> <ul style="list-style-type: none"> <li>• How much time will you commit to delivering social value?</li> <li>• What are your plans for delivering social value?</li> <li>• Are you already delivering social value which could be targeted through GKM routes?</li> </ul>
<b>Monitoring and Evaluation</b>	<p>Growing Kent &amp; Medway (GKM) will undertake monitoring and evaluation activity, whether the application is successful or not, in support of the GKM project and as per requirement of the funders. Please confirm your willingness to participate in monitoring and evaluation activity. This is a condition of application for our own monitoring and evaluation purposes.</p>
<b>Signature</b>	<p>Please certify that the information given on this form regarding your company is accurate to the best of your knowledge. If it is later established that my company does not qualify for this programme then the company may be required to repay some or all of any funding received.</p> <p>A signature will be required here on the online application form – To sign hold down the left button of your mouse inside the signature box and move the cursor. If you make a mistake reset the box using the circular arrows in the top left hand corner of the signature box.</p>
Name of Authorised Officer (responsible for the company):	The person completing this section should be authorised to make these declarations and commitments on behalf of the business.
Date	Insert date
<p><b>SECTION E: GROWING KENT &amp; MEDWAY SOCIAL IMPACT SURVEY</b></p> <p>This section includes questions to help us determine the demographics of applicants and the range, distribution and types of businesses we are engaging with through this funding call. This section is unscored.</p>	
<p>Do you identify as Female?</p> <p>Are you a Young Parent? (Up to 25 with a child under 18)</p> <p>Are you a Young Person? (Aged 18-34)</p> <p>Are you a Resident of or do Business in Folkestone &amp; Hythe, Medway, Swale or Thanet</p>	<p>Please answer these questions if you are happy to do so.</p>

## SECTION F: PROJECT DETAILS

This section is an opportunity for you to outline your project. This section will be assessed to determine if your project is in scope and to assess the quality of your proposed project. If you have any questions about this section which are not covered in these guidelines, please contact [gkmchallenge@kent.gov.uk](mailto:gkmchallenge@kent.gov.uk).

<b>Project title</b>	Enter a project title
<b>Project Objectives</b>	Enter your main project objectives (we suggest no more than 100 words). You may wish to present your objectives as bullet points.
<b>Project Outline</b>	Outline what your project proposal sets out to achieve and how you will deliver the project. This information will help the assessment panel determine the quality of your proposed project and if it is within the scope of the competition. This information will be confidential and seen only by the assessment panel.  As a guide we suggest you use no more than 400 words and that you cover the following: <ul style="list-style-type: none"> <li>• Outline your challenge or opportunity you want to address/realise</li> <li>• Brief plan of how you will achieve your project objectives (as outlined above)</li> <li>• What is innovative about your proposed project?</li> <li>• How will this project impact your business and commercial opportunities? (there is a separate field that you can expand on impact below)</li> </ul>
<b>Public description of the project</b>	This information will be visible on the Growing Kent & Medway website once the successful projects are announced. It may be that you summarise the project outline (above) but this allows you the opportunity to remove any commercially sensitive information. We suggest that this summary is no more than 200 words.
<b>Tell us how your project will address the challenge and meets the scope of the Business Sustainability Challenge.</b>	This is your chance to describe how your project idea helps to address the competition’s challenge area which is to “test and implement <b>innovative ideas, processes or technologies</b> to support <b>sustainable production, products and packaging</b> in the fresh produce, food and drink supply chain”. Also describe here how your project idea fits into one (or more) of the scope areas: <ul style="list-style-type: none"> <li>• Moving towards net zero carbon emissions targets</li> <li>• Improving resource sustainability</li> <li>• Minimising waste and maximising recycling</li> <li>• Incorporating food ingredients from sustainable sources</li> <li>• Using natural resources more efficiently</li> <li>• Utilising environmentally efficient food packaging</li> <li>• Reducing food waste</li> </ul> For more information on the challenge and scope see the <a href="#">competition overview</a> .



<b>Proposed Start Date</b>	<p>Enter your proposed start date here. Successful applicants will be informed by receiving a grant offer letter by August 2023. Projects can start and expenditure incurred from the date the grant offer letter is received (on the condition that the legal agreement is signed and returned in a timely manner thereafter). Alternatively, applicants will have up to two months from the date of the grant offer letter to review and return the legal agreement, to arrange any collaborative agreements (if applicable) and to prepare for the start of the project.</p>
<b>Proposed Project Duration</b>	<p>Enter your proposed project duration in months. Projects can be up to 8 months long.</p>
<b>Identify any risks to successfully completing the project and how these would be mitigated</b>	<p>Briefly describe (we suggest no more than 200 words) any risks to the completion of the project and how you plan to mitigate these risks. This is to help you identify any potential setbacks you may experience within the project and demonstrate that you have thought about how to mitigate against these setbacks to keep the project on track.</p>
<b>Is your project collaborative?</b>	<p>Does your project proposal involve more than one company (not including subcontractor(s))?</p>
<b>Please list the company names collaborating on this project</b>  [Conditional Field – will be present or absent on form depending on how you answer the previous question]	<p>Please list the names of the company or companies you are proposing to collaborate with.</p>
<b>Please explain the collaborative nature of the project</b>  [Conditional Field – will be present or absent on form depending on how you answer the previous question]	<p>Briefly describe (we suggest no more than 200 words) how the companies will collaborate e.g. what skills, expertise and/or resource do each of the collaborating companies bring to the project.</p>
<b>Company Expertise</b>	<p>Briefly describe (in no more than 200 words) what skills, expertise and/or resource that the lead applicant brings to the project.</p> <p><b>IF YOU HAVE TICKED THAT THIS PROJECT PROPOSAL IS COLLABORATIVE YOU WILL ALREADY HAVE ANSWERED THIS QUESTION IN THE ABOVE CONDITIONAL FIELD.</b></p>
<b>Project Impacts</b>	<p>What do you think the impact of this project will be within the next 3, 5 and 10 years considering some of the following:</p> <ul style="list-style-type: none"> <li>• New or improved product/process/service/ workforce practice or expertise</li> <li>• Environmental impacts (e.g. clean energy, sustainability, climate action, biodiversity, contribution to net zero targets etc)</li> <li>• New markets entered</li> <li>• Increased Competitiveness</li> </ul>

	<ul style="list-style-type: none"> <li>• Types of New Jobs Created</li> <li>• Equality and diversity (e.g. equal opportunities, fair work etc)</li> <li>• Social inclusion (e.g. safe and resilient communities, health &amp; wellbeing,)</li> </ul> <p>What plans will be in place to realise this impact?</p>
<p><b>Please state the postcode where your activity will be located (if different from the address in section B) If your activity covers an entire region, please specify.</b></p>	<p>This question is to understand where the project will take place as our eligibility criteria states that 75% of project activity needs to take place in the Kent and Medway region. If the project is to take place on a particular premises enter the postcode of that premises or if the project is to take place across several premises list the postcodes. Where relevant you may wish to state the regions (i.e. Kent and Norfolk) and the proportion (%) of project activity expected in the different regions.</p>
<p><b>SECTION G: PROJECT COSTS</b></p> <p>This section is to determine your project costs. Please download the '<a href="#">eligible costs calculator</a>' (by clicking the hyperlink the excel file will be automatically downloaded in your browser to your downloads folder). Please enter the lead applicant costs and the collaborator costs in the relevant tabs (navigate through the tabs at the bottom of the excel document). The total eligible project cost and the grant amount will then be automatically calculated and displayed in the 'Summary Costs' tab. These two figures should be transferred to the cells below and you should then upload your completed 'eligible costs calculator' spreadsheet.</p>	
<p><b>Total eligible project cost (grant + company match funding)</b></p>	<p>This figure is calculated for you on the 'Eligible Costs Calculator' spreadsheet. Transfer the figure from the pink shaded cell in the 'Summary Costs' tab.</p>
<p><b>Value of grant requested</b></p>	<p>This figure is calculated for you on the 'Eligible Costs Calculator' spreadsheet. Transfer the figure from the pink shaded cell in the 'Summary Costs' tab.</p>
<p><b>File Uploader</b></p>	<p>Upload your completed 'Eligible Costs Calculator' spreadsheet by dragging and dropping into file uploader or browse for file.</p>
<p><b>CHECKLIST</b></p> <p>Have I completed the application?</p>	
<p>Please check the following:</p> <ul style="list-style-type: none"> <li>• Are all the mandatory fields complete?</li> <li>• Make sure your contact details are correct</li> <li>• Signed the company declaration and commitment (end of section D)</li> <li>• Have you uploaded your completed 'Eligible Costs Calculator'?</li> <li>• When you are ready to submit your application to the assessment panel tick the box ' I confirm that this is my final submission' and press 'Save'</li> </ul>	

GUIDELINES ON ELIGIBLE COSTS
A note on collaborative projects
<p>If your project is collaborative (i.e. has more than one partner) then you will be required to select a lead partner who will apply for the funding on behalf of all the partners. Collaborative partners can be from any region in the UK and be any sized UK registered business. The lead partner will complete the Eligible Costs Calculator as the lead applicant and the collaborating partners will need to input their costs in the relevant collaborator tabs. At the end of the project the lead partner will be responsible for submitting the evidence of spend on behalf of all the partners. Once claims have been approved by Kent County Council the lead business will receive the grant and will distribute funding to all other partners. This is known as a <b>'hub and spoke' model</b>. Please note that large businesses may not draw from the grant but their match funding can be counted towards total project costs.</p> <p>The lead business must:</p> <ul style="list-style-type: none"> <li>• be a Kent or Medway registered micro, small or medium sized business</li> <li>• 75% of project activity needs to take place within Kent or Medway.</li> </ul>
A note on VAT
<p>If your business is a VAT registered company, enter the costs on the 'Eligible Costs Calculator' as net (excluding VAT). If your business is not a VAT registered company, enter the costs on the 'Eligible Costs Calculator' as gross (VAT inclusive). As part of the post project claims process we will ask you to complete a VAT declaration form and check your VAT status.</p>
Eligible Costs
<p>Growing Kent and Medway Business Sustainability Challenge funding is made available through UK Research and Innovation (UKRI) and as such eligible project costs for this competition are based on UKRI guidance for non-academic organisations (i.e. businesses). The eligible costs are summarised below with one notable change from the standard UKRI guidelines in that this competition will simplify the overhead calculation by using 20% of labour costs only.</p>
Labour costs
<p>These include costs of employees working directly on the project. All listed staff should be on your payroll and subject to PAYE. If you are a micro company, sole trader or partnership not running PAYE <a href="#">see guidance below</a>.</p> <p>Eligible labour costs include:</p>

gross salary, National Insurance (NI), company pension contribution, life insurance or other non-discretionary package costs.

Ineligible labour costs include:

- use of blended labour rates inclusive of overheads
- discretionary bonuses or performance related payments of any kind
- time spent not working directly on the project (for example sick, non-productive time or training days)
- dividend payments
- forecasted pay increases.

In the 'Eligible Costs Calculator' provide the day rate for each member of staff/pay band working on the project and the number of days they will be working on the project. Please provide a brief description on what their role in the project will be.

To calculate staff day rate divide the **gross employee costs** (available from PAYE records) by the **number of working days per year** less bank holidays and your organisation's annual leave entitlement.

### **Micro companies, sole traders and partnerships not operating a PAYE scheme**

If you do not currently operate a company PAYE scheme and are working directly on the project, you can include your labour as an eligible cost. This should be in line with the European Commission policy and is subject to the following conditions:

- your labour costs must be calculated using a maximum of eight hours per day, five days – up to 40 hours – per week and £22 per hour
- your costs must be recorded through the business accounts
- your project time must be supported by timesheets and project records.

Any grant awarded must comply with these provisions.

### **Evidence for claim post project**

At the end of the project KCC will require evidence of spend in order for the grant to be claimed. Further guidance will be provided once successful projects commence but as a guide for labour costs KCC will require you to present the following information:

- Timesheets (a template will be provided to record time through the project)
- PAYE of staff working on project (if applicable)

## Overheads

The overhead will be auto calculated on the eligible costs calculator based on 20% of labour costs.

NOTE: In a previous version (V2.1) of these guidelines we incorrectly stated that applicants “can claim 20% of your labour costs as overhead”. It was meant to read “overhead will be auto calculated based on 20% of labour costs to be included in your eligible costs” of which half can be claimed back as grant.

## Materials costs

The costs of materials and consumables to be used directly on your project are eligible costs if they can be well justified and are purchased from third parties. Materials and consumables that are under the value of £1000 may be considered in this category in accordance to your company’s capitalisation policy. There is no definitive list of what is an eligible materials or consumables cost as we will fund costs which are essential to the delivery of the project and the onus is on you as the applicant to fully justify the need for the proposed materials in the column provided in the 'Eligible Cost Calculator'. If the material has a residual or resale value at the end of your project, costs should be reduced accordingly.

### Evidence for claim post project

At the end of the project KCC will require evidence of spend in order for the grant to be claimed. Further guidance will be provided once successful projects commence but as a guide for materials costs KCC will require you to present the following information:

- Receipts and invoices
- Business bank statement(s) showing that the payment has been made

## Capital usage

You can claim the usage costs of capital assets providing they meet the following criteria:

- they have a useful life of at least one year
- they are stand alone, clearly definable and moveable
- they conform to your organisation’s capitalisation policy.

The 'Eligible Costs Calculator' will calculate the usage value for all capital equipment and tools used on your project using the following calculation:

- original purchase price (excluding VAT) divided by depreciation period in months (as per your current capitalisation policy) = monthly depreciation charge
- project capital usage cost = (monthly depreciation charge x number of project months) x percentage of time used on project.

### Worked example

An enterprise has a capital item with an original purchase price of £305,000. Their accounting policy states the cost would be depreciated over four years. This item is to be used on the project for 15 months for 15% of the time only. The calculation for the direct project-related costs of this item would be:

£305,000 divided by 48 months equals £6,354. Therefore, the cost to the project should be £6,354 multiplied by 15 project months. Applying 15% utilisation would equal £14,296.

### Evidence for claim post project

At the end of the project KCC will require evidence of spend in order for the grant to be claimed. Further guidance will be provided once successful projects commence but as a guide for capital usage KCC will require you to present the following information:

- Asset Name, Serial/Identification Number, Purchase Price (Excl VAT), Date of Acquisition (Date Goods Received), Business Capitalization Policy Threshold, Depreciation Period in Months, Monthly Depreciation Charge, Number of Project Months, % of time used on project, Capital Usage Value (a template will be provided as part of the claims guidance).

### Subcontract costs

You can claim costs relating to work carried out by third-party organisations that are not part of your project team. The subcontractor costs must not exceed 30% of the total eligible project costs. The work must meet at least one of the following criteria:

- be essential to the success of your project
- involve expertise that does not exist within the project team
- involve skills that it are not practical to develop in-house for your project.

You should name the subcontractor (where known) and describe what the subcontractor will be doing and where the work will be undertaken.

Subcontract services supplied by project partners should exclude any profit element and be charged at cost. Where a partner is also a subcontractor within a project, it is important that the company in receipt of the grant funding stays within subsidy and state aid limits.

### Evidence for claim post project

At the end of the project KCC will require evidence of spend in order for the grant to be claimed. Further guidance will be provided once successful projects commence but as a guide for subcontractor costs KCC will require you to present the following information:

- Invoice detailing the work carried out
- Business bank statement(s) showing that the payment has been made

## Travel and subsistence costs

You can claim reasonable travel and subsistence costs if they are necessary and incurred exclusively for the progression of your project. All travel and subsistence costs should use economy. Eligible costs include the cost of public transport, hiring a car for use on the project or use of a company car (recording the millage driven for the purpose of this project) or personal vehicle (see [HMRC's millage/fuel allowances](#)).

You should provide details and the purpose for the expenditure, including the number of staff involved in the 'cost description' column of the 'Eligible Costs Calculator'.

### Evidence for claim post project

At the end of the project KCC will require evidence of spend in order for the grant to be claimed. Further guidance will be provided once successful projects commence but as a guide for Travel and Subsistence costs KCC will require you to present the following information:

- Completion of a table itemising the travel and subsistence costs (a template will be provided)
- invoices/receipts/travelcards etc to evidence spend against each item

## Other costs

This category can be used for any direct project costs which are not covered in the other categories. Examples of other costs include:

### Equipment Hire

You can claim the hire of a piece of equipment required to undertake the project. The direct project-related costs for this item would be calculated by entering the day rate and entering the utilisation (in days) for project activity.

### Workshop or laboratory usage charge outs

Costs relating to workshops or laboratories that can be identified specifically as directly attributable to the project can be claimed in this section.

You should provide details of how the workshop or laboratory charge out rates are calculated per hour or day. This can include specific labour (such as staff permanently in place to maintain and run the workshop or laboratory and not considered project specific), rent, rates, maintenance and equipment calibration costs. These should form the overall costs together with the available operational hours to inform the hourly/daily charge out rates. Each workshop or laboratory will need to be supported with actual usage data to claim costs.

### Training costs

These costs are eligible where they are specific to and necessary for your project.

### **Market assessment**

There is some scope for support of market assessment studies to help understand how your project results are applicable to the intended market. Market research as a promotional tool is ineligible.

### **Patent filing costs for new intellectual property (IP)**

IP costs generated by your project are eligible. This cost is allowable for SMEs up to a limit of £7,500 per partner. Legal costs relating to the filing of trademark related expenditure as these are considered to be marketing/exploitation costs and are ineligible.

### **Evidence for claim post project**

At the end of the project KCC will require evidence of spend in order for the grant to be claimed. Further guidance will be provided once successful projects commence but as a guide for 'Other Costs', KCC will require you to present the following information:

- Invoice/receipts detailing the services/products purchased
- Business bank statement(s) showing that the payment has been made
- Evidence to support charge out rate calculations (if applicable)

The original guidance on which these cost guidelines have been based upon can be found through the following link (<https://www.ukri.org/councils/innovate-uk/guidance-for-applicants/costs-we-fund/costs-guidance-for-non-academic-organisations/>)