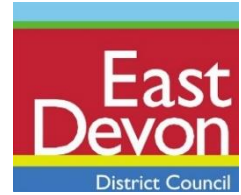




**Funded by  
UK Government**



**East Devon District Council**

**Innovation and Resilience Fund Round 3  
(IRF3)**

**Policy & Guidance**

**This project is funded by the UK Government through the UK Shared Prosperity Fund**

V2: 5 March 2024



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## Definitions

The following definitions are used within this document:

**‘Applicant’**; means the individual or organisation applying to the IRF3 scheme for project funding;

**‘Capital funding’**; means expenditure that results in the acquisition or construction of a fixed asset (land, building, vehicle, equipment) or enhancement of an existing fixed asset;

**‘Council’**; means East Devon District Council;

**‘Department for Environment Food and Rural Affairs’ (DEFRA)**; means the Government department responsible for the Rural England Prosperity Fund (REPF) [scheme and guidance](#);

**‘Department for Levelling Up, Housing and Communities’ (DLUHC)**; means the Government department responsible for the UK Shared Prosperity Fund (UKSPF) [scheme and guidance](#);

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

**‘Innovation and Resilience Fund’ (IRF3)**; means the current (third round) grant scheme administered by the Council;

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

**‘Project’**; means the activity which the applicant is seeking to achieve using project funding;

**‘Project funding’ (IRF3 funding)**; means the Innovation and Resilience Fund grant awarded by the Council to the applicant;

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

**‘Revenue funding’**; means expenditure incurred for the purpose of the business’ daily activity, services or to maintain fixed assets;

**‘Rural England Prosperity Fund’ (REPF)**; means the [funding](#) provided by DEFRA;

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

**‘UK Shared Prosperity Fund’ (UKSPF)**; means the [scheme](#) within which the REPF is situated

## **1.0 Scheme Purpose and Background**

1.1 The purpose of this document is to determine eligibility for a grant award payment under the Council's third round of the Innovation and Resilience Fund scheme (IRF3).

1.2 The purpose of this scheme is to provide project grants to businesses in East Devon to foster innovation, improve competitiveness and strengthen resilience by adapting to a green and inclusive local economy.

## **2.0 Funding**

2.1 A total of £320,362 has been allocated to this scheme for the 2024/25 financial year. This comes from East Devon's Rural England Prosperity Fund (REPF) allocation issued by DEFRA.

2.2 The Council reserves the right to amend the total funding allocated to this scheme should other UKSPF or REPF interventions underspend or overspend their respective allocations.

2.4 Whilst the awarding of grants will be at the Council's discretion, DEFRA has set down criteria which must be met by each business receiving grant funding.

## **3.0 Eligible Applications**

3.1 For the purposes of this scheme the following eligibility criteria must be met in order to receive project funding through the Innovation and Resilience Fund Round 3.

3.2 The fund is open to applications from micro, small and medium sized businesses (SMEs).

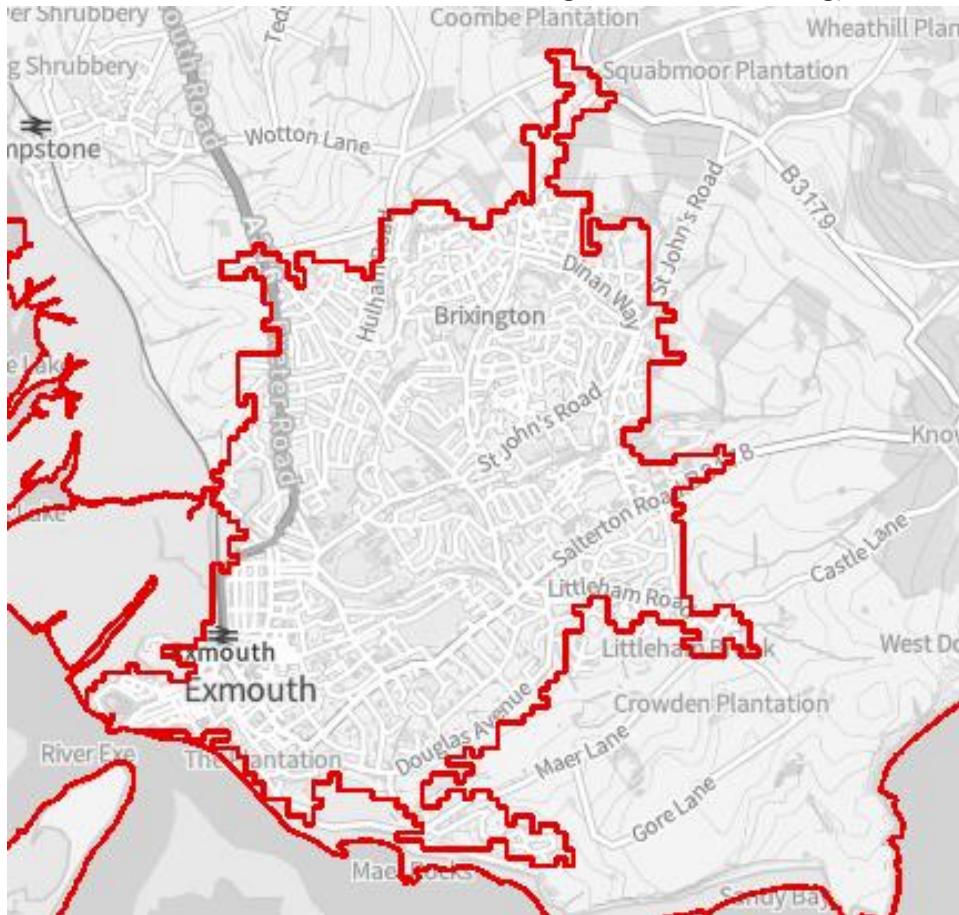
3.3 A business must be trading at the time of their IRF3 application. Businesses are considered to be trading if they are carrying on a trade or profession, or buying and selling goods or services in order to generate turnover.

3.4 A business can only receive IRF3 project funding if it:

- a) is seeking capital funding for a specific transformational project/innovation
- b) does not intend to use the funding to substitute lost income/turnover, to cover existing (non-project related) fixed business/operation costs, or to act as a wage supplement
- c) can demonstrate that it primarily operates and trades within East Devon from a fixed address
- d) is not in administration, insolvent or has been struck off the Companies House register
- e) has not exceeded the permitted subsidy control threshold
- f) has fewer than 250 employees

3.5 All items fully or partially purchased using IRF3 funds must be fully utilised in East Devon, excluding the urban areas of Exmouth as indicated by the red boundary on the map below. DEFRA considers the urban area of Exmouth not to be rural and therefore ineligible. A map of eligible rural areas can be found [here](#) (once open expand 'Administrative Geographies', then expand 'Other Administrative Boundaries' and tick the box titled 'Rural England Prosperity Fund'. Tick the box titled 'Aerial Photography' to view when zoomed in. The areas outlined in

red within the district of East Devon are ineligible for REPF funding).



3.6 A business can only receive IRF3 funding if they own or lease the premises the IRF3 funded items will be utilised from/within. Where the property is leased, the lease must not expire for at least another 2 years and the applicant must have all necessary consents in place from the owner of the premises to utilise the IRF3 funded items where this is contractually required.

3.8 A business can only receive IRF3 funding for one application. Successful Round 1 and Round 2 recipients of the IRF are welcome to apply for this round (Round 3), however the UKSPF Panel are likely to prioritise those applicants who have not received IRF funding in any previous round.

3.9 Applicants can deliver projects in collaboration with other partners, however all bids require a single applicant who will receive funding, will be required to sign the funding agreement and will be responsible for delivery and monitoring.

3.10 Applicants (directors/owners/major shareholders) of more than one business can apply to the IRF3 for each business, with separate project proposals required from each business. If an applicant is a director/owner/major shareholder of more than one business registered/trading at a particular address, only one of those businesses can receive project funding.

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

3.12 Where any business or individual misrepresents information or contrives to take advantage of the scheme, the Council will look to recover any project funding paid and take appropriate

legal action. Likewise, if any person is found to have falsified records in order to obtain project funding.

## **4.0 Eligible Projects**

4.1 Applicants can only apply for IRF3 funding to deliver a project that will have a transformational effect on the business and complies with the objectives the fund. The IRF3 is not designed to support the continuation of a business's standard operations and practice.

4.2 A project is considered to be transformational if it can achieve either of the following:

- The creation of new, high value employment. 'High value' we generally mean jobs with an annual salary of at least £30,000 or where qualifications of at least NVQ Level 4 are required.
- The adoption of new technologies or processes to increase productivity. Productivity will be measured by the net income (profit) produced per worker.

4.4 Project funding from the IRF3 can only be used to purchase the items and services necessary to deliver the transformational project as outlined in the applicant's application form.

4.5 For the avoidance of any doubt, the following costs and activities are not eligible for IRF3 funding:

- a) Funding for any items or activity not relating to the IRF3 project detailed in the application form
- b) Funding for any revenue costs (including salaries, wages, etc.)
- c) Funding to cover aesthetic and non-transformational changes to a business, its existing premises, products, marketing, website, etc.
- d) Funding for any activity that would lead to a significant increase in carbon emissions or biodiversity loss
- e) Funding for decarbonisation equipment (including solar panels, heat pumps, LED lighting etc)
- f) Funding to cover the continuation of a business/organisation's standard operations, fixed costs (rent/mortgage payments, utility bills, vehicle leases, equipment leases, insurance, etc), input costs, taxes or debt repayments
- g) Funding to cover statutory costs or those associated with obtaining planning permission or any relevant regulations. It cannot be used for any costs paid to East Devon District Council.
- h) Funding to purchase financial and non-productive assets, such as stocks, shares, bonds or buy-to-let property
- i) Funding to cover costs associated with depreciation or normal wear and tear
- j) Funding to cover retrospective costs for projects or activities already delivered or in the process of delivery.

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

4.7 All projects must be delivered within 18 months of when the project funding is awarded.

This requirement will be included within a binding funding agreement to be signed prior to any

project funding being awarded. Special exemptions for projects that require more than 18 months to be delivered will be considered where applicants can demonstrate that their proposed project will lead to exceptional positive benefits for the local economy. Businesses seeking to submit an 'exemption application' will be required to email [irf@eastdevon.gov.uk](mailto:irf@eastdevon.gov.uk) with specific justifications for support and full details of their case before submitting an expression of interest. Once funding is awarded, extensions to the 18 month project completion deadline will only be considered in exceptional circumstances and must be formally requested and approved by EDDC.

4.8 IRF funding cannot be used to purchase items or procure services for projects where planning permission is required but has not been granted.

4.9 All IRF3 recipients are responsible for maintaining and securing the IRF3 funded equipment at their own cost.

## **5.0 Funding Amounts**

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

5.2 Project funding of up to £30,000 is available per application. The minimum grant amount that can be requested by any applicant is £3,000.

5.3 Applicants must match-fund at least 30% of the total project cost. Any voluntary match-funding above 30% committed by the applicant will be scored favourably during the appraisal of the application. Match-funding will only be regarded as such if it is committed and not already spent.

5.4 Match-funding above 30% will be required in cases where the applicant is unable to use IRF3 funds to cover the total cost of the eligible project. In this case, the applicant is required to detail the total cost of the project and evidence the match-funding available to the applicant, either using internal funds or funding from an additional external source.

5.5 The IRF3 scheme cannot support projects that have received funding from other DEFRA schemes, including the Farming in Protected Landscapes Programme, the Farming Investment Fund and the Platinum Jubilee Village Hall Improvement Grant Fund.

5.6 In cases where the applicant is seeking to purchase equipment which is VAT rated, IRF3 funding cannot be used to pay the VAT element of this cost. Any VAT costs incurred by the applicant will not be regarded as match-funding.

5.7 All applicants must provide copies of quotes for the items and/or services they intend to procure using the project funding. At least two quotes should be provided per good/service from at least two separate suppliers, with the applicant highlighting the preferred supplier. One quote will be accepted when a specialist good/service is required and it can be demonstrated that only one supplier is present in the market.

5.8 All quotes provided by the applicant must be provided as a screenshot or scan, along with a date and a web address if the price is found online. All quotes will be subject to verification. Applicants which propose to use suppliers primarily trading and operating within East Devon will score more highly compared to suppliers outside of the district.

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

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

## **6.0 Making an Application**

6.1 All applicants are required to submit an expression of interest application form online before they can submit a full bid application form. There will be no exceptions to this. The expression of interest period will allow applicants to briefly outline their project idea to the Council. Applicants will then be provided with feedback regarding the eligibility of the project.

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

6.3 For this Third Round of the IRF, the expression of interest online application form is available to complete with effect from 8 April 2024. This stage of the scheme will remain open until 8 May 2024 at 4pm. The scheme will remain open for full bids until 24 May 2024 at 4pm. The Council reserves the right to close the scheme at an earlier time and date or extend the duration of the scheme. Further details regarding scheme dates and deadlines will be detailed and regularly updated online at [www.eastdevon.gov.uk/irf](http://www.eastdevon.gov.uk/irf). Any business considering making an application to the IRF3 is advised to subscribe to the Council's email business bulletin to ensure they receive up to date information in relation to the fund. You can subscribe [here](#).

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

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

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



6.7 Full details of the Council’s scheme, including how to apply are available online at [www.eastdevon.gov.uk/irf](http://www.eastdevon.gov.uk/irf) and marketed via the East Devon business update which all businesses are encouraged to subscribe to.

## 7.0 Assessing Applications

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

Category	Description
Employment	Will new higher value employment opportunities be created?
Funding	Has the applicant committed any voluntary match-funding (above 30%) either through internal funds or an additional external funding source?
Green	Will there be measured and evidenced greenhouse gas savings or biodiversity enhancements?
Local	Does the applicant seek to procure from other East Devon businesses?
Need	Can the applicant evidence that they do not have sufficient funds to purchase the items without IRF3 funding and cannot obtain these from alternative sources?
Viability	Has the applicant considered the viability of the proposed product, service, or technology?
Priority	Is the applicant in a priority group?
Productivity	Will this significantly increase productivity in the production or provision of existing products or services?
Risk	What is the likelihood of the project not achieving its core aims and being delivered to timescale?
Value	Are the project costs reasonable, adequately evidenced, and are justified by the outputs achieved?

7.2 The scoring matrix also contains pass/fail criteria based on sections 3 and 4 of the Policy. The application must pass all of these pass/fail criteria if it is to be approved.

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

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

7.5 The Panel may choose to make a ‘conditional approval’ in which the applicant will be offered the grant, in full or in part, if certain additional criteria are met by the applicant. In such cases, the applicant will be invited either to accept the conditional approval or decline it. Where the conditional approval is accepted by the applicant, the additional criteria agreed by the UKSPF

Panel will be added into the applicant's Funding Agreement. Where an applicant declines the Panel's offer, the Panel reserves the right to reject the application.

7.6 Where amendments are required to a submitted full bid application, a member of the IRF team will provide feedback on what amendments would improve the likelihood of the application being re-considered.

7.7 Officers will use their professional judgement and discretion to determine how many points are awarded to each application based on the information provided. This includes whether an application fails to score highly enough to be presented to the UKSPF Panel or whether amendments and a resubmission of the application is required before or after being presented to the UKSPF Panel.

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

## **8.0 Funding Agreement**

8.1 Before any funds can be awarded, applicants must sign a Funding Agreement to ensure the business agrees to use the IRF3 grant payment to deliver the specific project milestones, sub-tasks and outcomes detailed in their application and within the required 18 month delivery timeframe. The Funding Agreement will only be shared with applicants who have had their project approved for funding by the UKSPF Panel.

8.2 The Funding Agreement will be provided to the applicant by email and must be signed and returned by the applicant within 10 working days. The Council will consider an extension to this deadline on a case-by-case basis. All signed Funding Agreements must be returned by email and submitted in Microsoft Word format.

8.3 The purpose of the Funding Agreement is to ensure that IRF3 grant awards are not used for purposes which the Council considers to be inappropriate. The Funding Agreement is a legal document that will allow the Council to reclaim project funding from the IRF3 recipient should the terms and conditions set out in the Funding Agreement not be met.

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

8.5 Applicants should not start the process of purchasing, ordering or commissioning items or services relating to their IRF3 application until the Funding Agreement has been signed by both the applicant and the Council.

8.6 Successful applicants will be required to provide evidence to demonstrate that they have spent their project funding appropriately and in line with their supported project proposal and Funding Agreement. Applicants will also be required to provide regular updates to the Council to keep track of project milestones and whether the key project objectives have been met. Progress will be regularly reported to DEFRA and DLUHC. Further details regarding monitoring and evaluating will be outlined in the Funding Agreement.

## 9.0 Priority Groups

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

Sectors:

- High Tech Engineering
- Digital Technology
- Clean Energy
- Sustainable Transport and Aviation
- Sustainable Tourism
- Food & Drink

Places:

- Based in villages, hamlets, or open countryside

People:

- 18–30-year-olds
- People with disabilities

Projects:

- Farm Diversification away from agriculture

## 10.0 Subsidy Control

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

10.2 Where an applicant is actively competing within a particular market, an IRF3 grant could be regarded as a subsidy. Where an IRF3 grant is regarded as a subsidy, the applicant must confirm to the Council whether or not the applicant has exceeded the minimum financial assistance limit. Further information regarding the Government's UKSPF subsidy control policy is available at [www.gov.uk/guidance/uk-shared-prosperity-fund-subsidy-control-7](https://www.gov.uk/guidance/uk-shared-prosperity-fund-subsidy-control-7)

## 11.0 Scheme of Delegation

11.1 The Council has approved this scheme.

11.2 Officers of the Council will administer the scheme to ensure it meets the criteria set by the Council and in line with Government guidance.

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

## **12.0 Review of Decisions**

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

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

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

12.4 A business can reapply to the IRF3 scheme if their initial application was rejected. A second application will only be considered if the proposed project differs substantially from the project proposed in the initial application. A business can only reapply once. If a second application is also rejected, any subsequent applications will be automatically rejected.

12.5 The Council will not review any rejections where this has been issued due to a lack of remaining funds to award the applicant. Where the Council has remaining IRF3 funds which are below the grant request of the next highest scoring applicant, the UKSPF Panel will make a decision on how any remaining funds will be spent.

## **13.0 Complaints**

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

## **14.0 Taxation**

14.1 The Government has confirmed that grant payments funded through the REPF scheme will be classed as income for tax purposes.

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

14.3 All applicants should note that the Council is required to inform the Government of all REPF payments made to organisations.

## **15.0 Risk of Fraud**

15.1 Neither the Council, nor Government will accept deliberate manipulation of the IRF3 scheme or fraud. Any applicant found falsifying information to gain grant money or failing to

declare entitlement to any of the specified grant will face prosecution and any project funding issued will be recovered from them.

15.2 Applicants should note that, where project funding is awarded by the Council, details of each individual payment will be passed to the relevant Government department for that particular fund.

## **16.0 Recovery of Amounts Incorrectly Paid**

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

## **17.0 Data Protection**

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

17.2 Applicants will be made aware that detail about their application will be shared with DEFRA and/or DLUHC for the purpose of monitoring and evaluating the scheme. Details may also be shared with other Council departments and contracted parties for verification and anti-fraud purposes.