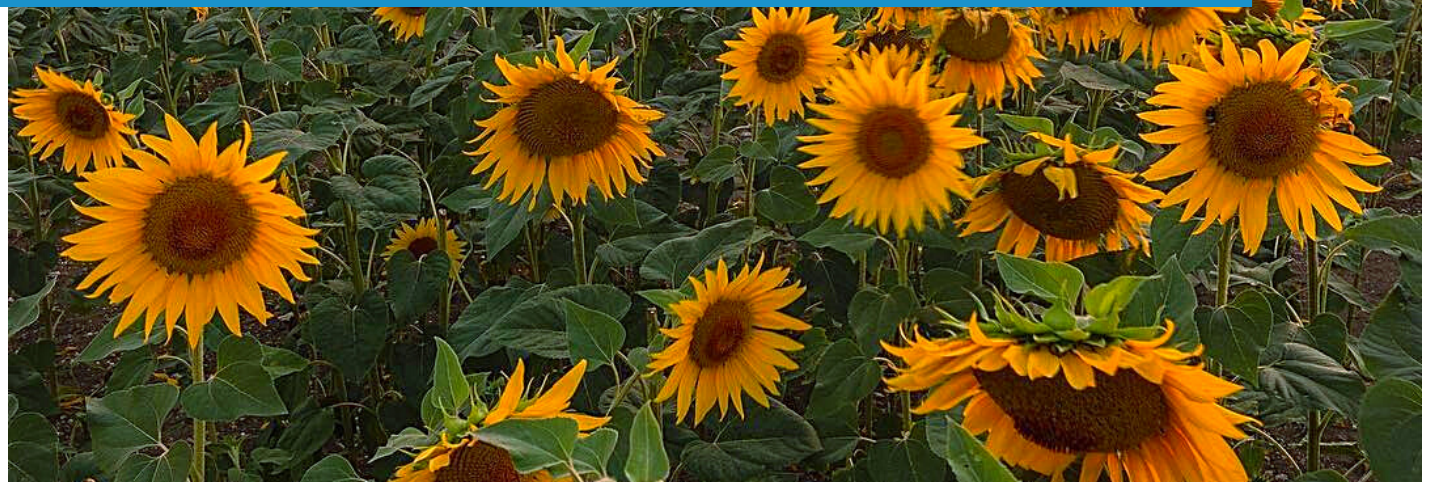




Crowdfund Hertfordshire: Small Business Innovation Fund

Guidance for applicants



Funding provided by:

Hertfordshire
Local Enterprise Partnership

Fund administered by:

 **VISIT HERTS**

In partnership with:

 Crowdfunder.co.uk

Overview of the fund

The Crowdfund Hertfordshire: Small Business Innovation Fund aims to provide support to micro and small businesses in the tourism, leisure, hospitality, retail, arts and cultural sectors by helping them to adapt and diversify in response to the new challenges posed as a result of the Covid-19 pandemic.

Initial research conducted by the World Tourism Organisation indicates these sectors have been some of the hardest hit, with international tourism expected to fall by 20-30% in 2020. In Hertfordshire alone, the sector contributes more than 40,000 jobs and £2.2 billion to the local economy each year. Successful businesses will be able to demonstrate they have been negatively impacted by Covid-19, and will need to use the funding to adapt and deliver innovative new ways to continue to reach their customer base and transition into a recovery phase post-lockdown.

The £200,000 Hertfordshire Local Enterprise Partnership fund will be administered by Visit Herts and delivered through the Crowdfunder platform. Businesses will raise money for their project through pledges from their community and loyal customers, keen to rally behind their favourite local businesses. Once a business secures their target through the Crowdfunder campaign, successful applicants will be able to unlock between £2,000 - £5,000 in match-funding from the Crowdfund Hertfordshire: Small Business Innovation Fund.

ABOUT HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP (LEP)

Hertfordshire Local Enterprise Partnership is one of 38 LEPs tasked by Government to drive local economic growth, channel investment and boost job creation. We bring together key partners from business, academia and local government to help create economic growth and jobs by investing in our people, places and businesses. We will strive to ensure that the EU and public sector investments are harnessed effectively to deliver the best return for business and the wider community.

Hertfordshire LEP Covid-19 Business Support Package

The Crowdfund Hertfordshire: Small Business Innovation Fund is part of a package of measures being put in place by Hertfordshire LEP to mitigate the impacts of Covid-19. This includes the Hertfordshire Business Expansion Growth Scheme which will be open to all sectors (subject to eligibility for receipt of ERDF funds). Grants available for capital expenditure will range from £10k-£100k and will require a £1 for £1 match. Hertfordshire Growth Hub will promote the scheme, manage enquiries, and make referrals to the LEP and its programme partner Finance South East for grant consideration.

Business Volunteer Panel: this Hertfordshire Growth Hub branded service would be established and managed by the University of Hertfordshire and will provide additional peer to peer advice and support to those businesses adversely affected by the Covid-19 pandemic. Up to 50 volunteers would each offer their expertise to up to 4 businesses, providing support to around 200 businesses in total over a sixth months period. The initial investment for Hertfordshire LEP Covid-19 Business Support Package is £3,210,000.

ABOUT VISIT HERTS

Visit Herts is the official Destination Management Organisation for Hertfordshire, welcoming 28 million visitors a year, championing the county's £2.2 billion tourism industry and supporting more than 40,000 jobs. We raise Hertfordshire's profile as a destination targeting UK and overseas markets, improve quality and skills within the industry, and grow investment in tourism.

ABOUT CROWDFUNDER PAY IT FORWARD

Crowdfunder and Enterprise Nation have set up the Pay it Forward campaign to support small businesses fighting for survival. Businesses can set-up a Pay it Forward campaign to pre-sell their services and diversify trading now to ensure continuous cash flow. Crowdfunder is covering all platform and transaction fees making it 100% free to small businesses. Enterprise Nation is providing access to free training and support for business, to help with online sales, marketing, cashflow, and diversifying, if necessary.

HOW DOES IT WORK?

1

Identify an investment or innovation that will help your business to adapt to the challenges created by Covid-19, either during lockdown or once restrictions begin to lift.

2

Set-up a Pay it Forward project to fund your innovation on Crowdfunder and start crowdfunding towards your project target through your customer base and local supporters. You can also offer rewards to your supporters that they can redeem when you reopen

3

If you're eligible for the Crowdfund Hertfordshire: Small Business Innovation Fund, you can apply for additional match-funding by completing the online application form. If your application is approved, Visit Herts will approve the match-fund pledge which will appear on your project page when you hit 25% of your target.

4

Visit Herts and Crowdfunder will provide successful applicants with coaching to help you reach your target. Once the financial target is met, match-funding will be confirmed from Hertfordshire LEP for your project.

5

Once the project closes the funding is released into your bank account via your online Crowdfunder payment wallet and you can begin to deliver your project.

WHO IS ELIGIBLE?

In order to apply under the fund, businesses must:

- Be located in Hertfordshire;
- Qualify as a micro (less than 10 staff) or small (less than 50 staff) business as per the EU Definition. Social Enterprises, Community Interest Companies and charities engaged in economic activity are also eligible;
- Be an existing business operating for at least 12 months;
- Be operating primarily in one of the following sectors: tourism, leisure, hospitality, retail, arts or culture. (See Appendix for more information)

Through the online application form they must be able to:

- Demonstrate that they are a viable business that has been destabilised by COVID-19;
- Clearly explain how this funding will increase business resilience by supporting them to adapt or innovate in response to Covid-19. This could include changes to operations or consumer engagement in order to continue to operate in some capacity during lockdown or adaptations needed to ensure that their product meets more stringent hygiene guidelines or improve consumer confidence as lockdown begins to lift;
- Demonstrate that this funding will help to protect jobs directly employed by the business;
- Demonstrate that they have the resources and expertise to deliver the project, including all expenditure, within 9 months of approval.

Businesses must also confirm that they have not been in receipt of other de minimis aid that would result in their business exceeding the EU threshold of €200,000 over a rolling three-year period. You can read more about EU State Aid legislation at <https://www.gov.uk/guidance/state-aid#what-is-state-aid>.

Once the Crowdfunder project has been set up and the application has been approved. To unlock the funding pledge the business will need to:

- Achieve 25% of the funding target from at least 10 unique backers, to trigger the funding pledge to appear on their project page;
- Go on to achieve the total project target to draw down the funding pledge.

HOW MUCH FUNDING IS AVAILABLE?

Hertfordshire LEP is redirecting £200,000 Growing Places Fund to match-fund eligible projects which help businesses to diversify or adapt in response to Covid-19.

Depending on the size of your business you can apply for different levels of funding as follows:

- micro businesses (fewer than 10 staff) can apply for a grant of £2,000 of match-funding support.;
- small businesses (fewer than 50 staff) can apply for a grant of between £2,000 and £5,000 of match-funding support.

You can apply for match-funding for up to 50% of the total estimated project costs and this will only be released when you reach 100% of your Crowdfunder target.

We recommend that you set your Crowdfunder project target to double the amount of match-fund applied for to give you the best chance of reaching your target. You will be able to continue to crowdfund with your customers beyond your target until your project closes.

WHAT IS THE APPLICATION PROCESS?

Once we receive your match-funding application, it will be initially assessed against the eligibility criteria before being assessed by Visit Herts. If your project meets the requirements, Visit Herts will then perform further checks including a credit check before final approval is given by the Hertfordshire LEP review panel.

If there are more applications which meet the eligibility criteria than funds available, then the Hertfordshire LEP review panel will decide which of the projects should be awarded a match-funding pledge.

Visit Herts will aim to respond to all applications within 10 days, however most applicants should receive a response sooner than this. The decision of the match-funding assessors is final and there is no provision to appeal.

If your fund meets the criteria and is awarded match-funding, then you will be contacted by Visit Herts to confirm the amount. When you meet 25% of your crowdfunding target, we will then update your project to include the match-funding pledge and revise the fundraising target that the crowd must meet. You must then continue to fundraise until this target is reached. If the target is not reached, then you will not be able to receive the match-funding.

If you have any queries about the application process, please contact the Visit Herts team on alanna.kite@visitherts.co.uk

HOW DO I RECEIVE THE FUNDS?

The release of match-funds is subject to the crowdfunding target being reached. Once the project closes, match-funding pledges are released using MangoPay. To receive the pledged match-funding, you will need to set up an account so that funds can be transferred into your own wallet.

The money raised from the crowd would be transferred by Crowdfunder through Stripe once the project closes. You would also need to set up a Stripe account to receive these funds.

PROJECT DELIVERY

As soon as your Crowdfunder project closes and the funds are released, you can begin to deliver your project. The expectation is that your project should be delivered along with all expenditure within 9 months of project approval.

If you need to make any changes to your project delivery you should contact alanna.kite@visitherts.co.uk to discuss these changes immediately.

PROJECT EVALUATION

Once your project is completed, you will need to provide Visit Herts with some data to help us to evaluate the impact of the funding. This should be provided no later than 9 months after your crowdfunding project closed successfully.

The evaluation process shouldn't be too time consuming but is designed to help us to evaluate the impact that the innovation and Hertfordshire LEP funding has had on the business. The type of information we would be requesting could include:

- Number of full time employees
- Number of part time employees
- Details of actual expenditure in relation to the delivery of the project
- Evidence that the project activity was completed
- Simple evaluation of project outcomes

TERMS AND CONDITIONS

By applying for, if you are approved for, and subsequently receive, a grant from Hertfordshire LEP, it will be on the basis that you have agreed the following terms and conditions:

1. You confirm the money will be spent on the project approved and set out in your application and crowdfunding page.
2. No changes to the project will be made without our agreement. You must also inform us immediately at alanna.kite@visitherts.co.uk of any proposed change relating to grant expenditure.
3. You will provide Visit Herts with an impact report; this should be provided no later than 9 months after your crowdfunding project closed successfully.
4. You agree to allow Visit Herts, Hertfordshire LEP or Crowdfunder representatives to see the work funded by the grant if requested.
5. Visit Herts and Hertfordshire LEP reserve the right to withhold a grant or require repayment if it finds that any form of deliberately false or misleading information was provided.
6. Visit Herts and Hertfordshire LEP reserve the right to withhold a grant or require repayment if the applicant becomes insolvent or goes into administration, receivership or liquidation, and if the grant has not already been spent on its intended purpose.
7. If you want to acknowledge our grant in a press release or any other type of media coverage, you will need our agreement first. Please contact alanna.kite@visitherts.co.uk
8. You agree that Visit Herts, Hertfordshire LEP and Crowdfunder may publicise the grant and, if relevant allow us to produce a case study on your project.
9. The decision of the funding assessment panel is final.
10. You agree that Visit Herts will perform a credit check on your organisation based on the information provided.
11. You confirm that all of the details provided in the application and on your project page are correct.

APPENDIX

We consider businesses to be eligible and able to apply for the fund to include:

- Shops (such as; florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Markets
- Garden centres
- Art galleries (where art is for sale / hire)
- Travel agents
- Ticket offices eg. for theatre
- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars
- Cinemas
- Live music venues
- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sports and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls
- Event organisers
- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

The final decision on qualification will be made by the funding assessment panel.