**ERDF Hot House Grant Fund - FAQs**

**When is the deadline?**

It is a rolling deadline. You can apply at any time.

**What additional evidence is needed for the appraisal of the grant application?**

To fully appraise your application we need a business plan, cashflow forecast, previous two years of accounts and current accounts plus evidence of the authenticity of the quote(s) in your budget. We may need more information but if you don’t supply this basic information it will hold up the process and may mean your project being rejected before the grant panel sees it.

**What else can hold the process up?** If you don’t sign theapplication form, if you don’t put anything, not even ‘not applicable’ in the de minimis declaration or if you don’t answer the business in difficulty question.

**When is the grant paid?**

The payment of the grant is retrospective. You need to complete your grant funded project and prove evidence of defrayal of monies (a bank statement proving the money left your account) and paid invoices before claiming your grant.

**Can the grant be paid in stages?**

No, the grant is paid in one lump sum.

**What do you mean by having looked at ‘other realistic funding options’?**

This refers to the idea of ERDF being a fund of `last resort’ – you must have looked at alternatives before settling on applying to ERDF, but maybe deciding against a bank loan for example.

**Can applications cover more than one strand of the Hot House programme?**

Yes, they can.

**Can you apply more than once?**

Yes, you can. If your project has been successful in terms of outputs and outcomes, we would probably like to see you apply again.

**What can I apply for as a Start Up? (Up to 12 months old and pre-trading)?**

Start-ups can only apply for small grants, which is a maximum of £5,000. If you have been in existence for more than a year then you can apply for a small and/or large grant.

**Where do I send the forms – can I send them by post?**

Send them to [Invest4@brighton-hove.gov.uk](mailto:Invest4@brighton-hove.gov.uk). Please save the word document with your company name as a reference. There isn’t anywhere to post them to under the present circumstances.

**Can we apply for a small grant AND a larger one?**

Yes, you can if you are an established firm. The order would depend on which project you wish to prioritise first. Larger grants take longer top process

**Can you apply for a Hot House grant at the same time as other funding sources, i.e., Innovate UK?**

Yes, it can be used as match as well, as long as it is not EU funds or used as match for EU funds by the government.

**Can Invest4 grant cover staff costs?**

No, only for consultancy or similar costs for which an invoice can be provided.

**I have two businesses, one start up, one established, can I apply for both?**

Yes, but please mention the link between them.

**Ours is a new business attached to an established one, can we apply for the larger grant?**

Only the established company can apply for the larger grant and it must be an SME

**Is the maximum grant £170K?**

Yes, that is the maximum. If you are seeking more than take a look at the Governments Future Fund or contact the Coast to Capital Enterprise hub for further advice

**Can you apply for grants for backdated expenses (i.e. to repay directors loans for start-up expenses?)**

No, only for expenses incurred after the date on the signed grant contract letter.

**Can we apply for a grant to cover more than one project? i.e. new IT equipment and then separately an external consultant?**

Yes, but you would have to show it is part of the overall project plan that is relevant to the grant.

**Does the grant cover sub-contractor costs e.g. hiring a professional psychologist to review our work?**

A sub-contractor infers you have a contract with someone else which you are sub-contracting out, not improving your firm. The answer is probably no but please check.

**Does the project have to be seen as a one-off? i.e. could it cover marketing consultancy costs over a three-month period? Does it need to be for a specific one-off campaign?**

It can be over three months – you could either pay up front at the start or pay in instalments to reflect this, but you would only be able to put in your claim once the final payment was made.

**Does it have to be a brand-new project. What if we have already made a start or want to get going. If so, at what point can we start including costs/invoices.**

It would be better if it was a brand-new project as we cannot guarantee a time frame for the grant approval and only expenses incurred after the grant has been agreed are eligible (and there is no guarantee you will be successful).

**Could it be for two projects? i.e. we want to create a coding school and an app to help others?**

If it is clearly two separate projects, then it should be two separate proposals.

**Is there a minimum spend for having to get 3 quotes? If I am buying 20 different items for £100 for example, do I really need to get 3 quotes for each?**

Not anymore! However, for larger items whilst there is no ERDF need for three quotes under £25,000, our appraisal includes looking at value for money – so it is good evidence for us and should be good practice for you.

**Can it cover building costs for an office expansion?**

If it is ‘premises improvement’ - yes.

**Can it cover rental of a new location/barn for business for first year?**

This is likely to be classed as general running costs so unlikely to be agreed.

**Can the grant cover the cost of materials/stock to create the final product for example raw coffee to be roasted?**

This is likely to be classed as general running costs, rather than improving how your business is run. The Invest4 grant fund cannot cover the costs of stock.

**Can an emergency loan given now as part of Covid form part of the match?**

Yes.

**If new location for business is already identified it would only be one quote, is this ok?**

One quote is ok, but we would need more details on what you are actually planning to do. If renting a new building, this is likely to be classed as general running costs so unlikely to be agreed, unless you could justify it.

**Will we need to show full 60% match funding?**

You have to say where it is coming from and demonstrate you have the match funding available.

**How much detail is needed on the project costs? Do you have to put every individual line item, or could you group things if they're very low value?**

Your application form forms part of your contract. It is best to put as much detail as possible, as if it is not immediately identifiable as something mentioned in your application it could be rejected at payment by either the Hot House, or subsequently by the UK Government when they come to audit the project. You need to provide evidence of all the expenditure, i.e. that you have bought it and evidence of defrayal (invoice and bank account evidence). You have to consider the time spent in providing evidence of payment to the actual value of what you are getting in terms of 40% of the total.

**I employ new staff to help setup the and then run the project (E-commerce site in this case), until when can I claim for this staff members wages/costs?**

The grant fund does not cover staff salaries.

**What are the breakdowns/cut off figures for each type of loan?**

The grant is not a loan.

**How much weight does the business plan carry?**

Quite a lot – you are appraised against it. We will supply a template which must accompany your application for it to be considered if you don’t have a business plan

**What level of detail is needed in Business Plan?**

The template should assist you, but if you do need further guidance please email [Invest4@brighton-hove.gov.uk](mailto:Invest4@brighton-hove.gov.uk)

**Timescale for getting all these forms in?**

There is no timescale, but we would advise spending time on reading the guidance and completing the application form and any templates.

**I have a business that has some retail element, for e.g. a business that upcycles furniture and sells. However, I also run workshops on how to upcycle. Could they apply for a project around the courses?**

Depends how much profit you would envisage from this new activity.

**If the company status has changed in the past 24 months from non-profit to limited company, are accounts from both entities okay for past 2 years?**

Yes, as long as you can prove that they are the same company, but just the legal status has changed.

**I'm applying for a Micro Grant from Mid Sussex District Council and thought the larger grants were 6 months plus trading. If its definitely one year of trading, then can I apply for a larger grant when I reach that date?**

Yes, but no guarantee you will get a grant, and as the guidance says, it is expected in most cases you will have been trading for at least two years.

**I’m applying for 40k does the external due diligence apply?**

Yes, however, if we saw a bid for £39,999 we might be suspicious as to what you were trying to hide.

**Do you have to put the detail into the boxes where specified or can you attach separate documents (as easier to format that way)?**

Please try and put as much detail in your application form as possible.

**I am a sole trader do I need detailed full management accounts?**

Full accounts are needed for your current year of trading to date and the previous two years. We need to review each business and ensure it is in a strong position

**Is there an average time frame from start of application to receiving an answer?**

No, applications are reviewed by a panel on a regular basis and we will endeavour to update you of its progress.

**I assume social enterprises, CICs, charities can be supported by a grant?**

Social enterprises definitely, as they tend to be able to help with the targets of creating high value jobs, increasing turnover etc. Charities may not be eligible as the Invest4 programme has to support trading businesses.