

# Economic Recovery Fund

## Frequently Asked Questions

Here are some questions we expect to be asked, there are answers below. We expect to update this as we talk to people and hear new questions:

- 1. What is the Economic Recovery Fund?*
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- 11. Can we include VAT in our budget?*
- 12. I run a business so will not have time to deliver this project, can we employ someone to act as a project manager and pay them for their work?*
- 13. Our idea isn't really focused on one district centre or high street, can we still apply?*
- 14. Our project is only small and doesn't need to apply for the full amount of available funding, will this be a disadvantage?*
- 15. Our high street is split in what it wants to bid for and there might be two separate applications, is this ok?*
- 16. Do we need every business on our high street to sign up to our project? Some just don't want to engage with us.*
- 17. We applied for funding before, will this count against us?*



## ***1. What is the Economic Recovery Fund?***

The Economic Recovery Fund (ERF) is a grant fund that was set up to help high streets and local businesses recover from the impacts of the Covid-19 pandemic. The first round of funding launched in March 2021 and 26 projects were funded from the initial £2.3 million that was made available.

For the second round of the ERF, the Council has set aside a further £2m to support new local partnerships to deliver a new set of projects in 2023-24. The purpose of the Economic Recovery Fund is:

- To help build the foundations for economic renewal across Sheffield by investing in communities and high streets, helping to build resilience to the cost of living crisis and future economic challenges.
- To make high streets and local centres feel safe and welcoming, so that residents want to spend time and shop there.
- To encourage businesses and groups to work together on ideas to improve their high streets, and bring new energy to those that already are.
- To support high street businesses to work with their communities and leave a lasting legacy of community infrastructure that can continue to thrive once projects are complete.

Since the first round was launched a full, independent evaluation was undertaken, which you can read on our website. Using these findings, we have refreshed and updated the Fund to make sure it works in today's economic climate and learns lessons from the delivery of the first round of projects.

## ***2. How is the fund managed?***

The ERF is overseen by a Steering Group made up of:

- Councillor Martin Smith (Chair – Economic Development and Skills Policy Committee)
- Councillor Ben Miskell (Deputy Chair – Economic Development and Skills Policy Committee)
- Councillor Paul Turpin (Group Spokesperson – Economic Development and Skills Policy Committee)
- Diana Buckley (Director – Economic Development, Skills and Culture)
- Carl Mullooly (Head of Communities – Local Area Committees)
- 2 x private sector representatives
- 2 x community representatives (drawn from ERF Round 1 alumni)

They meet regularly to oversee the delivery of the Fund, give steer to the project team and take decisions where needed. They also score collectively each application that meets the eligibility criteria.

## ***3. What funding is available through the ERF?***

There are two pots of money that will be open to applications:

### **District Centre Fund**

This portion of the Fund is split into large (up to 200k) and small (up to £50k) grants for projects geographically based around one high street or a group of high streets. This category was also included in Round 1, with the same structure. It is aimed at collaborations of local businesses and others who have come together with ideas for how to reignite their high streets and encourage Sheffield to shop locally.

This is not open to groups that received large grants in ERF1, who have already benefitted from significant investment in their high streets (Hillsborough, Firth Park, Broomhill and Walkley).

## **Flexible Fund**

It is understood that not all organisations or collaborations fit neatly within a strict geographical area. There may be collaborations that come forward with ideas that would not sit within the District Centre Fund above. The Flexible Fund is where these innovative, creative ideas can come forward, that may cover a specific geographic area, be city-wide in nature or focused at specific sectors or communities of interest, such as events and leisure, or climate action. There should still be a focus on broad benefit for local businesses.

These grants are for projects up to £50k. Recipients of large grants in round 1 will be eligible for this Fund, where there is a proposal around continuation, legacy and additional activity that builds on what was achieved in round 1.

### ***4. What does it mean to be a 'Lead Organisation'?***

Where possible we expect the Lead Organisation to be from the voluntary and community sector, rather than being an individual business. The Lead Organisation should be an established organisation that has a track record of delivery and financial management. Do not expect to create a new organisation for the purpose of receiving this grant funding, this will not be possible.

If you are the Lead Organisation in your local collaboration, if successful, you will need to enter into a Funding Agreement with the Council. This means that you will be contractually obliged to deliver the project as described in your application form (which will form part of the contract). You'll be responsible for retaining proof of how funding has been spent, meeting with us on a monthly basis to report progress and providing relevant paperwork for to us as requested for claims and monitoring (see above).

We expect all organisations that work with us to adhere to our 'ways of working', a bit like a Code of Conduct. You can find this at the end of the Application Form. It will also form part of the Funding Agreement.

### ***5. What kinds of things should we think about when developing our team and ideas?***

How your team and project develops will depend on each individual case, but we've put together a set of questions you can ask yourselves to help shape and direct your initial thoughts:

- What is your business community/high street – how far does it extend?
- Who is (or would you like to be) part of your immediate 'project team'?
- How far is there an existing network/set of relationships to build from?
- How can you make sure you are open to and inclusive of potential team members and businesses you may not already know?
- Who else might you need or want around the table to help you?
- What problem(s) are you trying to solve in your area/high street/sector?
- What is it you are looking to change or improve – what do you want to achieve?
- What do you already have that you can build on and use? Think about physical and social things, like spaces and business forums or community groups.
- You may want to consider doing an easy/short survey of your business community to gauge interest in ideas
- Who will benefit from the project? The Steering Group will want to be assured that a broad range of businesses in any given area will benefit from the project.
- On what basis and how will we be paid the grant funding if we are successful?

Once a Funding Agreement has been signed by the Lead Organisation and the Council, we will be able to pay the grant funding to you. You will need to be set up as a supplier on our payment

system and submit a grant claim to access the funding.

The payment schedule will be split on a quarterly basis and this will be agreed during the contracting process. Our preference will always be for payments to be made retrospectively, but we understand this is not always possible and can be flexible. In either case project spend will be tracked and monitored by the team and you will be expected submit a grant claim form and full reconciliation spend to date. Further payments will only be made once this process is complete.

### ***7. How will the Council monitor our project? What information do we need to give you during delivery?***

While you're delivering your project, we'll have regular monitoring meetings with you where you can update us on your progress and budget and raise any issues with us. You will be required to submit quarterly claims which will include a short, written update on delivery progress. The claim form will allow you to forward forecast project spend and outputs to ensure we have an up to date understanding of your project outturn. You will be able to make variations to the budget that are within the scope of the approved project as part of this process. Any larger changes to the project will require you to notify the team and for a contract variation to be agreed.

In the monitoring meetings you will be expected to provide a short snapshot of what you've done in that month and what you have spent/delivered. This is to make sure we are all clear on progress, you have all the support you need, and any problems that might arise are caught early.

You'll need to keep all receipts and invoices for ERF funding that you've spent. We will need to check these against expenditure claimed as part of the project claims process. You may be asked to provide an evidence sample as part of the claims process.

When your project is complete, we will begin the project closedown process with you. We'll give you a simple template and ask you to complete this short report on your project and what you have delivered. You will need to supply a final claim which will reconcile the project expenditure in full. We want to ensure that all funding allocated to your project is spent and will work with you to avoid the need for 'clawback' (returning any unused funding to the Council), but anything that cannot be used will need to be given back at this point.

### ***8. We are a community group, can we still apply for funding through ERF?***

Yes, you can act as the 'lead organisation,' but you do need to have local businesses as part of your team/steering group and have engaged with businesses on your high street/target sector. This is so you can demonstrate that they recognise and will welcome the benefits that your project will bring. You will need to keep businesses involved in your project across the delivery period.

### ***9. We have some great ideas that would really make a difference to our area, but this sounds like a big task. What support is there to help us through the application stage?***

We understand that taking on the challenge of bringing together a group of businesses, developing ideas and working these through to a robust project plan and budget can be a daunting task. That is why we have some funding available to provide a support worker at the application stage to areas that need it. You can request this support by submitting a short form available on the website [LINK]. While we can't guarantee this support for everybody, at minimum you can expect to work with our Project Team, who can advise and provide information to you. You may also wish to work with your local Business Information Officer and Local Area Committee Teams; where they have time to help, we know they will.

### ***10. I am a business, can I hold the funding in my business account?***

The Council will consider this on an exceptional basis only. Our preference will always be for funding to be held by an independent, neutral organisation with experience of managing grant or local authority funding. If you have a specific request about this, please contact us.

### ***11. Can we include VAT in our budget?***

This depends on your status as an organisation. It can be complex, so we advise that you take independent advice from your accountant/finance manager if you have one, or HMRC if you do not. As a general rule, if you are VAT registered then the Council will pay grant funding excluding VAT. You will need to manage VAT payments and recovery in line with standard practice and ensure they are included on your VAT return. If your VAT status is not straightforward i.e. some parts of your organisation are exempt and project activity falls within this we will agree an approach as part of the project approval process. If you are not VAT registered then the Council will be able to pay costs Gross, inclusive of VAT.

### ***12. I run a business so will not have time to deliver this project, can we employ someone to act as a project manager and pay them for their work?***

Yes, and this is something we encourage all projects to consider seriously. Think with your team about whether you have the capacity to deliver your project yourselves as volunteers, and also think about whether there are skills gaps among you that you need to fill to ensure the project's success. We know that managing and delivering these projects can entail a lot of work and administration. You can budget for a project, and/or financial manager, to run these elements for you. These costs should be capped at 15% of the value of your project, unless you can demonstrate why you would need additional funds over and above this amount.

Please note that to appoint someone to these roles you must go through an open process through which people can apply, with a clear job description/person specification and job advert. The process should not discriminate and should be as inclusive as possible. Shortlists should be chosen on the basis of merit, ideally using a scoring system. The Council reserves the right to take part in shortlisting and interview panels with you to support with recruitment, though we may not always need or have the capacity to do this.

Please note that any management fees and salary costs are capped as follows:

- Management fees (including financial management) are capped at 5% of total project value
- Salary costs for project managers are capped at 15% of the total project value

### ***13. Our idea isn't really focused on one district centre or high street, can we still apply?***

It depends on your idea so please come and speak to us so we can find out more and advise you specifically. In this round of the ERF a new funding stream is available called the 'Flexible Fund'. This is an acknowledgement that some projects will run across multiple areas, or be focused on a specific sector or represent a completely new idea we have not thought about. Any idea submitted to the Flexible Fund will still need a completed application form demonstrating how it will meet the ERF's objectives.

The Flexible Fund is much smaller than the District Centre Fund, so we expect this to be extremely competitive. Please come forward and speak to us so we can help you develop your ideas and make sure you are applying to the right fund.

***14. Our project is only small and doesn't need to apply for the full amount of available funding, will this be a disadvantage?***

Not at all, and we strongly encourage projects to only bid for the funding they need, as the more projects we can fund, the more benefit will be felt in more places in the city. Each project is scored on its own merits against standard criteria – so as long as it meets the objectives, represents a true collaboration and you can demonstrate business buy-in, then you are putting yourself in a strong position.

The most important thing about your project budget is that it is as true a representation as possible of the likely costs, so these should be based on actual quotes.

***15. Our high street is split in what it wants to bid for and there might be two separate applications, is this ok?***

We would strongly encourage that, wherever possible, only a single application is put forward from any one high street or district centre area. We want to support projects that bring businesses together, we do not want to pick favourites and support one group over another. You will be better off finding common ground and working together than competing. Any project that is successful will be expected to engage with all businesses on the high street and focus on activity that benefits a wide range of businesses, not just one group.

***16. Do we need every business on our high street to sign up to our project? Some just don't want to engage with us.***

No, you do not need to demonstrate that every single business is in support of your application. We know that there is likely to be a local coalition of the willing who are the most energised and engaged in developing ideas and wanting to be part of a project team/steering group. While applicants are expected to engage with all businesses from their areas, there is an understanding that not all businesses will respond to that. Don't let one, or a small number of businesses stand in your way if they are not interested – more of a problem is if a contingent of businesses are actively against what you are proposing (see above).

***17. We applied for funding before, will this count against us?***

Absolutely not, each application received in round 2 will be assessed and scored on its own merits. Whether an area or collaboration applied before will not count as part of the scoring. Projects that received funding in round 1 will not have an advantage either, everyone will need to demonstrate afresh their project through the application and scoring process.