

Innovation and Resilience Fund Round 4 (IRF4)

Policy & Guidance

Contents

Definitions	3
1.0 Scheme Purpose and Background	4
2.0 Funding	4
3.0 Eligible Applications	4
4.0 Eligible Projects	6
5.0 Funding Amounts	8
6.0 Making an Application	9
7.0 Assessing Applications	10
8.0 Funding Agreement	12
9.0 Priority Groups	13
10.0 Subsidy Control	14
11.0 Scheme of Delegation	14
12.0 Review of Decisions	15
13.0 Complaints	15
14.0 Taxation	15
15.0 Risk of Fraud	16
16.0 Recovery of Amounts Incorrectly Paid	16
17.0 Data Protection	16

Definitions

The following definitions are used within this document:

‘Applicant’; means the individual or organisation applying to the IRF4 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;

‘Devon and Torbay Combined County Authority’ (CCA); means the overarching legal body comprising Devon and Torbay Councils to take collaborative action on local issues;

‘Ministry of Housing, Communities, and Local Government’ (MHCLG); 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’ (IRF4); means the current (fourth 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’ (IRF4 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 local growth scheme funded by MHCLG.

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 fourth round of the Innovation and Resilience Fund scheme (IRF4).

1.2 The purpose of this scheme is to provide project grants to businesses in East Devon to foster innovation and growth, improve productivity and increase the provision of suitable employment space in the district.

2.0 Funding

2.1 A total of £190,000 has been allocated to this scheme for the 2025/26 financial year. This comes from East Devon's UKSPF allocation issued by MHCLG via the Devon and Torbay Combined County Authority (CCA).

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.

2.3 Whilst the awarding of grants will be at the Council's discretion, MHCLG 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 4.

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 IRF4 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 IRF4 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 IRF4 funds must be fully utilised in East Devon.

3.6 A business can only receive IRF4 funding if they own or lease the premises the IRF4 funded items will be utilised from/within. For equipment-based projects in leased premises, the lease must not expire for at least another two years and the applicant must have all necessary consents in place from the owner of the premises to utilise the IRF4 funded items where this is contractually required.

3.7. A business seeking funding for a workspace transformation project must provide written consent from their landlord/submission of a lease that is valid for a minimum of five years.

3.8 A business can only receive IRF4 funding for one application. Applicants who have received grant funding of £50,000 or more from EDDC in any previous IRF round or from either the Culture, Leisure, and Tourism Fund or the Carbon Action Fund are not eligible to apply for the IRF4.

3.9 Successful recipients from any previous IRF round or UKSPF/REPF grant support who have received less £50,000 in total from EDDC are welcome to apply for this round (Round 4). However, applicants who have not received funding in any previous round or grant scheme will be prioritised.

3.10 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.

3.11 Two businesses who share any directors, owners, and/or major shareholder are only both permitted to apply to the IRF4 if they meet **all** of the following criteria:

- The businesses are registered separately on Companies House
- The businesses operate from different addresses
- The businesses are not 'sister' businesses – i.e. they are not subsidiaries of the same parent companies

- One business is not a parent company of the other

3.12 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.

3.13 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 grant funding.

4.0 Eligible Projects

4.1 Applicants can only apply for IRF4 funding to deliver a capital project that will have a transformational effect on the business and complies with the objectives the fund. The IRF4 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.

4.3 Eligible projects may fall into one or more of the following categories:

- Equipment- the purchase of capital equipment to automate or improve the efficiency of an existing process or to implement a new process or income stream for the business. This could include buying a precision cutting machine to increase the speed of production, or an apple farmer purchasing cider making equipment.
- Workspace– the creation of new employment space, the conversion of unused space for employment purposes, or major upgrades to existing workspace to enable a new, specialised employment use. Examples of each include adding a mezzanine floor to a workshop, converting a disused barn into an office, or making premises food safe respectively.

4.4 Project funding from the IRF4 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 IRF4 funding:

- a) Funding for any items or activity not relating to the IRF4 project detailed in the application form
- b) Funding for any revenue costs (including salaries, wages, consultancy costs etc.)
- c) Funding to cover aesthetic and non-transformational changes to a business, including redecoration, rebranding and marketing exercises for example.
- d) Funding for non-transformational digital projects such as website upgrades, new or updated online sales platforms and software unrelated to new equipment.
- e) Funding for projects primarily focused on upgrading electrical capacity or the broadband infrastructure of a workspace.
- f) Funding for any activity that would lead to a significant increase in carbon emissions or biodiversity loss
- g) Funding for decarbonisation equipment (including solar panels, heat pumps, EVs and chargers, LED lighting etc)
- h) 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), office furniture and basic IT equipment, input costs, taxes or debt repayments
- i) Funding to cover statutory costs or those associated with obtaining planning permission or any relevant regulations, or any costs paid to East Devon District Council.
- j) Funding to purchase financial and non-productive assets, such as stocks, shares, bonds or buy-to-let property.
- k) Funding to cover costs associated with depreciation or normal wear and tear, including the maintenance of assets previously purchased via grant funding.
- l) Funding to cover retrospective costs for projects or activities already delivered or in the process of delivery.
- m) Funding to cover the purchase of or any alteration of road vehicles (e.g. cars and vans).

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 applications must forecast an end date on or before the 28th of February 2026. Any grant funding which has not been spent on eligible items by this date must be returned to the Council.

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 IRF4 recipients are responsible for maintaining and securing the IRF4 funded equipment at their own cost.

4.10 To discuss any concerns regarding the eligibility of your project, please contact the team at irf@eastdevon.gov.uk.

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. Applications must demonstrate that match has been secured and is readily available prior to submitting an application.

5.4 Match-funding above 30% will be required in cases where the applicant is unable to use IRF4 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 All match-funding must be used on eligible capital expenditure. Match-funding cannot be used on any items listed in 4.5.

5.6 The IRF4 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.

5.7 In cases where the applicant is seeking to purchase equipment which is VAT rated, IRF4 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. All quotes submitted must clearly show the cost excluding VAT.

5.8 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.

5.9 All quotes provided by the applicant must be provided as a PDF document, 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.

5.10 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.

5.11 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 (EOI) 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 can submit one further EOI, provided the application window is still open. If this EOI is also rejected, any future EOIs will automatically be rejected.

6.3 For this Fourth Round of the IRF, the expression of interest online application form is available to complete with effect from the **2nd of July**. This stage of the scheme will remain open until Wednesday **23rd of July at 4pm**. The scheme will remain open for full bids until **Friday 15th of August 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. Any business considering making an application to the IRF4 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.

6.5 All mandatory questions on the application form must be answered. Applications where any mandatory questions are left blank or not completed with relevant information will be automatically rejected.

6.6 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.

6.7 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. Any application which arrives in the Council's inbox after the date and time indicated in 6.3 will be automatically rejected.

6.8 Full details of the Council's scheme, including how to apply are available online at www.eastdevon.gov.uk/irf.

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 secured 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 IRF4 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 products or services?
Risk	What is the likelihood of the project not achieving its core aims and can all milestones be met by the 28 th February 2026?
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 be rejected.

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 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.

7.7 Applications will be assessed on the responses provided to questions in the application form. Where supplementary evidence is provided, the applicant must cite in the application form where the relevant information is situated in any supplementary documents. Only information included in or referenced by the application form will be scored against.

7.8 An exemplar application is available online. This demonstrates the expected level of detail and indicative responses to the application questions. Any applicant found to be plagiarising this response will have their application rejected.

7.9 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 IRF4 grant payment to deliver the specific project milestones, sub-tasks and outcomes detailed in their application within the strict timeframe permitted. 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 with either a handwritten or digital signature.

8.3 The purpose of the Funding Agreement is to ensure that IRF4 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 IRF4 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 IRF4 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 the CCA, DEFRA, and MHCLG. 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 Industrial Policy in East Devon's Economic Development Strategy will be prioritised in the scoring matrix. This includes the following:

Sectors:

- Clean growth, including clean energy and sustainable transport
- Digital and data innovations, including robotics
- Sustainable Tourism
- Food & Drink
- Farm Diversification away from agriculture

Directors:

- 18–30-year-olds

Places:

- Operating from a village, hamlet, or open countryside

9.2 Applicants can only score in the priority category against two of the above criteria. No additional points will be awarded for those applicants meeting more than two criteria.

9.3 Applicants who have not received a grant from a previous round of IRF or any other UKSPF/REPF grant scheme will be awarded additional points in the priority category.

10.0 Subsidy Control

10.1 The UK is bound by both domestic and international commitments regarding subsidy control. This includes compliance with the UK's subsidy control regime established by the Subsidy Control Act 2022 and subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU.

10.2 The Council has a duty to ensure that all grants awarded are compliant with the legislation on subsidy control. The Council expects that most grant awards issued under this scheme will not meet the criteria for a subsidy, as defined in the Subsidy Control Act 2022. However, the subsidy control principles will be considered for every application received. In instances where an IRF4 grant may be considered a subsidy, the Council will request additional information from the applicant, which the applicant must provide. The Council reserves the right to reject an application where it believes an IRF4 grant award would contravene the UK's obligations on subsidy control, or the Subsidy Act 2022.

10.3 Further information regarding the Government's UKSPF subsidy control policy is available at 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. Changes will also be communicated via updates to our IRF webpages 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 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 IRF4 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 UKSPF 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 UKSPF payments made to organisations.

15.0 Risk of Fraud

15.1 Neither the Council, nor Government will accept deliberate manipulation of the IRF4 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.

15.3 It is the responsibility of the applicant to have and keep in place systems to deal with the prevention of fraud and/or administrative malfunction.

15.4 In the event that the project cannot be delivered due to the applicant being a victim of fraud, the Council reserves the right to reclaim all funding awarded.

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 MHCLG and the CCA 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.