

East Devon District Council

StartSmart Fund

Policy & Guidance

Version 1.0

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Definitions

The following definitions are used within this document:

'Applicant'; means the individual or business applying to the StartSmart Fund grant scheme;

'Council'; means East Devon District Council;

'Funding Agreement'; means the agreement between the Council and the applicant that sets out the terms and conditions of the grant funding award;

'Pre-Start'; means an entrepreneur ready to launch a new business within the next three months;

'StartSmart Fund'; means the start-up 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;

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

'Start-Up Business'; means a registered business that has been trading for less than 36 months prior to the application date;

'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;

1.0 Background

1.1 The StartSmart Fund is a pilot grant scheme which forms part of the Council's wider StartSmart Programme. This includes other types of free business support, such as training and mentoring. It is anticipated that applicants will have previously engaged with another element of the StartSmart Programme prior to submitting an application.

1.2 The purpose of this pilot scheme is to provide grants to entrepreneurs and start-up businesses in East Devon to help them get established and grow successfully.

1.3 A total of £25,000 has been allocated to this scheme. The Council reserves the right to amend the total funding allocated to this scheme.

2.0 Eligible Applicants

2.1 The fund is open to applications from pre-start and start-up businesses. Entrepreneurs applying as pre-starts must be ready to launch their business within three months of their application. Start-up businesses are defined as those who have commenced trading within the last 36 months.

2.2 Start-up businesses must provide evidence of registration to be eligible. This could include:

- Registration on Companies House
- Certificate of Incorporation
- Evidence of Self-Assessment Documents
- VAT Registration

2.3 Start-up businesses must submit a business bank statement with their application which demonstrates that they commenced trading within the last 36 months.

2.4 Pre-starts are not required to have registered their business or set up a business bank account prior to applying, however they must do so before any grant funding is issued.

2.5 All applicants must have received prior support from an accredited business support provider within the last 36 months. Where this support was not funded by the Council, applicants must submit evidence of support received.

2.6 All start-up businesses must provide evidence that they operate from East Devon. All pre-start entrepreneurs must provide evidence that they reside in East Devon.

2.7 All items fully or partially purchased using a StartSmart Fund grant must be fully utilised in East Devon.

2.8 A business can only receive one StartSmart Fund grant, although the application can include more than one item or cost. Businesses who share any directors, owners and/or major shareholders can only make one application. This includes subsidiaries of parent companies.

2.9 Applicants cannot be a director, owner and/or major shareholder of another actively trading business.

2.10 Businesses which are administration, insolvent or have been struck off the Companies House register are not eligible to apply. Applicants who have served as a Director of a company which is in administration, insolvent, or has been struck off the Companies House register are not eligible to apply.

3.0 Eligible Expenditure

3.1 StartSmart Fund grants can be used for either capital or revenue expenses that will assist the applicant in launching or growing their business.

3.2 A broad range of expenses will be considered including, but not limited to:

- a) Purchase of equipment (including IT and software costs)
- b) Website Design and Development
- c) Training costs and Continuous Professional Development (CPD) courses
- d) Attendance at industry exhibitions or trade shows
- e) Marketing and advertising campaigns, including commissioning research
- f) Office supplies and furniture
- g) Membership fees for professional bodies/trade organisations

3.3 All applicants must demonstrate that the items requested link directly to their business growth and be able to lay out a clear strategic case for why these items are required.

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

- a) 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), taxes or debt repayments.
- b) Funding to cover salary or employment costs.
- c) 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.
- d) Funding to purchase financial and non-productive assets, such as stocks, shares, bonds or buy-to-let property.
- e) Funding to cover costs associated with replacing existing assets, depreciation or normal wear and tear, including the maintenance of assets.
- f) Funding to cover costs (in whole or in part) paid out before the Funding Agreement is signed.
- g) Funding to cover the purchase of or any alteration of road vehicles (e.g. cars and vans).
- h) Funding to cover ongoing professional fees such as accountancy or legal support.
- i) Funding to purchase stock or production inputs.

- j) Funding to cover the costs of registering as a business (e.g. fees paid to Companies House)
- k) VAT reclaimable from HMRC

3.5 In most cases funding will be issued in arrears once a valid claim form is submitted and approved. Special exemptions to this will be considered on a case-by-case basis, with a maximum of 50% of the grant paid out upfront.

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

4.0 Funding Amounts

4.1 Applicants will be required to request a funding amount in the application form that matches the total cost of the items and/or services they wish to purchase. Copies of prices listed online, or issued as quotes, must be provided to evidence those costs.

4.2 Project funding of up to £2,500 is available per application. The minimum grant amount that can be requested by any applicant is £500. If the cost of the requested items exceeds £2,500, applicants must commit to paying the remaining amount as match funding.

4.3 Applicants will need to obtain prices/quotes from at least two suppliers per good/service, with the applicant highlighting their preferred supplier. One quote will be accepted if no alternative supplier exists.

4.4 Applicants are welcome to provide prices/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.

4.5 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.

5.0 Making an Application

5.1 Applicants must complete the application form and return to the Council via email (in Microsoft Word format), with all prices/quotes, cashflow forecast and business plan attached.

5.2 An application to the fund is deemed to have been made once a duly completed application form and all necessary attachments are received via the Council's inbox business@eastdevon.gov.uk.

5.3 Applicants must submit a completed business plan alongside the application form. The Council will only accept business plans that have been developed with support from an accredited business support provider. This support may be obtained independently by the applicant, or through the wider StartSmart Programme where available.

5.4 Applications to the StartSmart Fund Grant Scheme will be reviewed and scored monthly until there are insufficient funds remaining. The deadline to be considered in each review period will be the final calendar day of each month from April 2026 onwards. Applicants are encouraged to submit as early as possible to avoid missing out as the scheme will close at the Council’s discretion or when all funding is allocated.

6.0 Assessing Applications

6.1 All applications will be checked for their eligibility against the criteria set out in Section 3. If submitted more than a week prior to the deadline, applicants will be given one opportunity to amend and resubmit their application if found to be ineligible.

6.2 Eligible applications will be scored by officers on the following categories:

Category	Description
Feasibility	Has the applicant demonstrated clear demand based on market research and industry knowledge? Are financial forecasts realistic?
Need	Does the applicant require public funding or could costs be covered independently or through alternative financing options?
Value	Has the applicant selected quotes which represent good value for money?
Risk	Has the applicant considered and sufficiently mitigated all the main risks in their business plan and application form?
Outcome	Has the applicant demonstrated a significant impact to the business as a result of funding?
Impact	Does the application have wider public benefit, including social and environmental benefits?
Priority	Does the applicant fall into a priority group?

6.3 Officers will use their professional judgement and discretion to determine how many points are awarded to each application based on the information provided. Both the scores and the overall quality of the application will determine whether an application is recommended for approval or rejection.

6.4 The Portfolio Holder for Assets and Economy will review submissions and can choose to approve the application, reject the application or ask the applicant to amend their application and resubmit with the required information in the next review period.

6.5 All decisions made by the Council shall be notified to the applicant by email and are final.

7.0 Funding Agreement

7.1 Before any funds can be awarded, successful applicants must sign a Funding Agreement to ensure the business agrees to use the StartSmart Fund grant payment only to purchase the items requested in the application.

7.2 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.

7.3 The purpose of the Funding Agreement is to ensure that StartSmart Fund 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 funding from recipients should the terms and conditions be violated.

7.4 The Funding Agreement will be between the named applicant/s and the Council. Responsibility for compliance with the Funding Agreement will remain with the individual rather than the business.

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

8.0 Claims Process

8.1 StartSmart Fund grant funding will be paid in arrears unless a Special Exemption is agreed at the application stage. Grant payments will be subject to an eligible claim form being submitted to and approved by the Council.

8.2 A single claim form must be submitted containing all costs outlined in the application form. Evidence of spend must be submitted for each item entered in the claim form. Special exemptions may be considered to permit the submission of two claims.

8.2 Eligible claims must reflect the items/costs submitted in the application form. Any changes in the cost of goods or services between the application submission and the purchase date must be covered by the applicant.

8.3 Claims cannot include VAT reclaimable from HMRC. The VAT registration status of all successful applicants will be checked, with grants paid including VAT where it cannot be reclaimed by the business.

8.4 The Council will notify recipients when their claim has been approved. Payments will be made within three working days of a claim being approved.

8.5 All claims should be submitted within six months of the Grant Agreement being signed. If no eligible claim has been submitted by this date, the offer of grant funding expires, and any costs incurred cannot be claimed from the Council.

8.6 Claims will only be paid into a business bank account and to a registered business as defined in Section 2. Pre-starts must ensure these are obtained between their application being approved and the submission of their claim.

9.0 Priority Groups

9.1 The following applications from start-up businesses or pre-start entrepreneurs will be prioritised if they:

a) Align with one of the five sectors from the Industrial Policy of East Devon's [Economic Development Strategy](#). This includes the following:

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

b) The business owner/entrepreneur is aged 18-30 on the submission date of the application

c) Operate from one of the 50% most deprived neighbourhoods in England¹ within the district of East Devon.

10.0 Complaints

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

11.0 Risk of Fraud

11.1 The Council will not accept deliberate manipulation of the StartSmart Fund 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 grant issued will be recovered from them.

11.2 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.

11.3 It is the responsibility of the applicant to correctly account for grant income in their accounts and make any required disclosures.

12.0 Recovery of Amounts Incorrectly Paid

12.1 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.

13.0 Data Protection

13.1 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

¹ The 28 neighbourhoods with a deprivation score between 1 and 5 on the [Index of Multiple Deprivation map](#) fall into this category.

website. Information about the applicant may be shared with other Council departments for verification purposes.

13.2 Names of successful applicants, the amount of funding awarded, and a short description of their project may be published online to advertise the scheme.