

Appendix 2 Sector Support Fund (SSF) Application Template

1. Project Title	
SE Export Development 2 (SEED)	
2. Project Location	
<ul style="list-style-type: none"> Location of delivery & supporting partners: Kent, Medway, North Essex, South Essex, East Sussex. Location of project beneficiaries (Small & Medium Sized Enterprises – (SMEs)): whole SELEP area Location of project implementation: whole SELEP area (+ virtual activity taking place in international markets) 	
3. Lead point of contact for Project	
Name	Steve Samson
Organisation	Kent County Council
Job Title	Trade Development Manager
Telephone	03000 417167
Email	steve.samson@kent.gov.uk
4. Lead contact in County Council/ Unitary Authority (if different from above)	
N/A	
5. Description of Project (No more than 300 words)	
<p>Background: Exporting helps businesses grow and innovate but export levels in the SELEP area are relatively low. Accessing export opportunities can help firms build resilience and spread risk across different markets but with current uncertainties caused by Covid-19 and the UK's EU withdrawal, extra help for firms is needed.</p> <p>The approach to exporting is changing; traditional activities such as trade missions remain uncertain, but the pandemic has accelerated companies' use of digital technologies which provides new export opportunities.</p> <p>Aims: SEED addresses known export barriers (lack of international contacts and export knowledge/capacity) through an innovative support programme aimed at SELEP-based companies (product and service-based 'new-to-export' companies and existing exporters) in 3 priority sectors with export potential:</p> <ul style="list-style-type: none"> Health & Life Sciences (including medical devices / technology, (e-)health, pharma, diagnostics) Food & Drink (including manufacturers, processing, suppliers to the industry e.g. packaging). Digital & Creative (including software solutions, apps, web services) <p>Target international markets will be finalised taking into account progress with new trade agreements and the Department for International Trade's (DIT) latest advice. Likely focus:</p> <ul style="list-style-type: none"> France, Ireland, Australia (Food) USA, Singapore (Health / Life Sciences, Digital) Scandinavia / Nordic Countries (all sectors) <p>Activities:</p> <p>1. Business Engagement:</p> <ul style="list-style-type: none"> Communication activities to recruit around 150 companies from which 100 will be selected for virtual trade missions (see 'Selection of companies to participate in support programme' section below on page 5 – the partners and advisors from DIT, EEN etc. will select companies based on scoring against relevant criteria – example form attached - based on information from expression of interest forms and any prior knowledge of the companies from partners). <p>2. Export Readiness:</p>	

Commented [AB-SFBP1]: What is the selection process?

- Online 1-2-1 and group training activities to ensure companies are 'export-ready' with input from market experts, DIT (including overseas posts), Chambers of Commerce and their International Chamber Network. Training topics will include 'listing on relevant international e-commerce platforms' & 'international search engine optimisation', 'trade regulations after Brexit', 'product adaption for overseas markets', new export documents & customs requirements.

3. 4 Virtual Trade Missions:

- Meetings connecting SELEP companies to potential international buyers, distributors, customers.
- Virtual exhibitions in International Chambers / Embassy premises for potential buyers to see products and interact with companies online.
- The partners will invite SELEP-based inward investment agencies to promote the area and assist with 'in-bound' business advice queries.

6. Federated Board endorsement

- The SEED application will be presented to the Kent & Medway Economic Board for formal endorsement at its meeting on 2 December.
- The application will be sent to the Success Essex Board in time for its meeting on 16 November.
- The South Essex Board has delegated responsibility for endorsing the project application to a thematic lead who is happy to support the proposal.
- The Team East Sussex board will review the application at its next meeting on 2 November.

7. Project links to SELEP Economic Strategy Statement (ESS)

According to the Department for International Trade (DIT), firms that export show higher rates of productivity than those that solely operate in their domestic market. SEED will make an important contribution to Boosting Productivity as part of the SELEP ESS which states that "We will help firms to create better links internationally, through exporting, importing or international partnerships."

SEED will provide in-depth support to businesses in some of SELEP's strategically important sectors, whilst raising the profile abroad of the SELEP area's strengths. Following detailed discussions, the project partners decided that SEED should target companies operating in **life sciences & health, food & drink** and **digital & creative**.

- These are recognised in the draft SELEP Local Industrial Strategy for their importance to the local economy.
- These broad sectors will provide sufficient critical mass in terms of sufficient numbers companies based across the whole LEP area with each federated area being home to at least some companies from each target sector.
- Whilst the different federated areas have their own sub-sector strengths, the partners are confident that the sector-focus of this project will enable a good number of firms with an appetite for increasing their international activity to engage with the project and ultimately boost export sales as a result.
- It is anticipated that some federated areas will engage with more companies from a certain sector (such as food & drink in East Sussex) but overall, the partners will aim for an equitable split of companies across the different federated areas as follows: Essex: 24, South Essex 16, Medway 10, Kent 32, East Sussex 18. (figures were calculated by broadly apportioning the target number of companies according to the size of the population of each federated area – we anticipate that in East Sussex, for example, greater numbers of food & drink companies will participate than Life Science companies and South Essex may for example put forward a greater number of digital companies than food & drink)

Another reason for selecting these sectors is that we know that there is demand and appetite for export support due to regular engagement with companies in other projects (such as Boost4Health, Innovative Sector Exchange and 'GREAT Food from Kent'). We also know that food and drink companies and life science companies in particular will have to deal with new regulations at the end of the withdrawal period (such as 'Food Business Operators' procedures) to trade with the EU. DIT also includes Life Sciences and Creative among its 6 'priority sector team' focus as the government considers that these sectors offer significant export potential.

Commented [AB-SFBP2]: Basis used for split? Will this work when targeting specific sectors?

The SEED project aligns perfectly with the South East Local Industrial Strategy which states:

- Strategic Opportunity; “the South East’s critical role as a global gateway and as a leading location for inward investment, linking the UK with international markets. We will work with our gateways to strengthen these locations by ... capitalising on this to increase international trade and enterprise for the region”
- “We can increase domestic and international trade, supporting our businesses to take advantage of our successful track record in securing inward investment and export opportunities.”
- “Driving up the UK’s export ability – and its attractiveness to inward investors – will be a high priority and one from which the South East will benefit through its role as the UK’s global gateway.”
- “We will create a thriving business environment that supports our businesses to grow, innovate and to trade internationally. We will also continue to build a strong business-led voice for the South East economy, supporting growth through increased exports, foreign direct investment and exposure to wider markets.”
- Sector links: “The South East ... has a sizeable and diverse business base including key sectors with identified growth potential; ... creative and digital, life sciences, and agri-tech/food. However, we want to grow further ... increasing productivity and innovation across the region by delivering an improved business support offer”

SEED will directly contribute to the following SELIS key outcomes:

- “Increased international trade and investment as a result of improved skills and leadership capabilities”
- “Increased domestic and international trade”

SEED also supports the SELEP Covid-19 Economic Response Statement which recognises the importance of “connecting the UK with international markets” and aims to better understand “the impact on international trade and investment and our role as the global gateway to the UK”. Finally, the project will support potential and existing exports by “helping to tackle the implications of Brexit”. SEED will help businesses in the SELEP area with economic recovery by helping them to identify opportunities and gain sales in international markets, thus reducing the risks associated with trading solely in the domestic market where demand for products or services may have weakened as a result of the pandemic. International trade is also complex and although there is considerable uncertainty about the impacts of Brexit and new export regulations and procedures, this project will bring together the right expertise to help companies navigate through the changes.

The SEED project will also make a contribution to SELEPs ambitions detailed in the emerging Local Industrial Strategy to “becoming a net zero carbon economy” by helping to reduce the carbon footprint of export activity in the SELEP area which has traditionally involved significant amounts of air travel for example. By testing a virtual approach, the SEED project will demonstrate that new export activity can be achieved with minimal travel.

Through piloting the SEED programme of support, the partners anticipate being able to share successes from this new approach with stakeholders (local Department for International Trade and Enterprise Europe Network colleagues etc.) via a final evaluation report and also prove the case for the value of this rolling out this type of intervention on a wider basis in the SELEP region in the future, for example as part of a bid to the UK Shared Prosperity Fund.

8. Total value (£s) of SSF sought (net of VAT)

Planned Items of Expenditure:	Cost:
1. Business Engagement:	
Communication activities: company recruitment campaign, design costs for ‘in-market’ promo materials etc.	£3,000
2. Export Readiness:	
External expert fees for online group training sessions	£2,000
2 bespoke International Market Insight Reports: Food & Drink	£10,000

2 bespoke International Market Insight Reports: Life Sciences	£10,000		
1 bespoke International Market Insight Reports: Digital & Creative	£5,000		
3. Virtual Trade Missions:			
Shipping Costs for product samples, information and promotional materials to in-market contacts on behalf of SELEP companies	£1,000		
Equipment hire 'in-market' for virtual trade missions (screens etc.)	£6,000		
'In-market' sector specialist expertise in around 5 international markets to engage with buyers, distributors etc. (e.g. International Chambers fees for identifying the right contacts for SELEP businesses)	£18,000		
Production of 3-5 promotional videos – for different sectors and target market for sending to contacts in international markets	£9,000		
Match making and meeting software subscription (likely to be 'Meeting Mojo' or equivalent)	£5,000		
Project Management Costs:			
Dedicated project officer time (0.75 FTE including on-costs) to manage project	£22,500		
Match Funding Contributions:			
Additional Kent County Council project manager, officer & admin staff costs (in-kind match funding contribution)	£27,500		
Essex County Council Officer time (in-kind match funding contribution)	£5,000		
South Essex Local Authorities Officer time (in-kind match funding contribution)	£3,000		
Medway Council Officer time (in-kind match funding contribution)	£1,500		
Sussex Chambers officer time (in-kind match funding contribution)	£1,500		
Kent Invicta Chamber of Commerce officer time (in-kind match funding contribution)	£1,500		
Total:	£131,500		
9. Total value (£s) of project (net of VAT)			
£99,000			
10. Total value (£) of match funding (net of VAT)			
£32,500			
11. Funding breakdown (£s)			
Source	2020/21	2021/22	Total
Sector Support Fund		£91,500	£91,500
Other sources of funding (please list below, add additional rows if necessary)			
Dedicated officer time from the partner Local Authorities (Kent, Medway, Essex, South Essex) and Chambers of Commerce	£4,000	£36,000	£40,000
Total Project Cost	£4,000	£127,500	£131,500
12. Details of match funding			
Each of the delivery partners (Kent County Council, Essex County Council, South Essex Local Authorities, Medway Council, Kent Invicta & Sussex Chamber) will contribute a dedicated amount of officer time for the management and implementation of the project which equates to just under 33% match funding for the SSF grant. (Yes, delivery partners has confirmed that they will make the above match funding contributions).			
We had calculated the 30% match against the value of the SSF grant rather than the total project value i.e. at least 30% of £99K. If it needs to be 30% of the total project value to be eligible then a solution could be to shift some of			

Commented [HD-CPO3]: s/b £131,500

Commented [HD-CPO4]: £40,000

Commented [AB-SFBP5]: Has this been confirmed by each Delivery partner?

The match funding also does not add up to 30% of total project value. It is currently 25% (£32,500 of £131,500 – which is the total project value)

KCC's costed 'dedicated project officer' time to match funded staff time and, although not ideal, we would have to absorb the difference – figures amended in red above.

In addition to the local authority staff time significant contributions will be made by other organisations (DIT & EEN). Although unable to formally commit any match funding to the project in terms of staff time, DIT East, DIT South East and Enterprise Europe Network South East will provide valuable input into the project. The EEN SE team will be on hand to provide expertise and access to in-market contacts. The 2 DIT teams will provide access to in-market contacts and will assist with wrap around support for beneficiary companies – as detailed below.

13. Expected project start and completion dates

1 March 2021 to 28 Feb 2022 (although the planning phase will begin with initial online meetings of the Project Steering Group and discussions taking place as soon as the project is approved from December 2020)

14. Key Milestones

Key Milestones	Description	Indicative Date
Promotion of SEED Project to target companies	A series of promotional activities will be designed and delivered by the SEED partners and other strategic local partners (export / business support organisations, Growth Hubs and sector groups) including: <ul style="list-style-type: none"> • Social media activity • Promotional flyers • Newsletter articles & e-bulletins/mail-outs 	Mar-Aug 2021
Selection of companies to participate in support programme	The partners will develop an Expression of Interest form and jointly-agreed selection criteria which will include export readiness, production capacity, suitability of products / services for the target markets, company size and sector (SMEs), commitment to internationalisation, track record in the domestic market etc.) and will invite suitable companies to apply for the programme. The partners will also select eligible companies using expert advice from Department for International Trade (DIT), Enterprise Europe Network (EEN) and local authorities' Economic Development Teams. Companies which have already engaged with core export support services may be particularly relevant for this project.	Mar-Aug 2021
50 x 121 export readiness meetings for companies	Participating companies will be offered a 1-2-1 meeting (physical or virtual) from a DIT International Trade Advisor or equivalent Chamber of Commerce Advisor to ensure that they are export-ready	Apr 2021 - Dec 2021
Virtual or physical group export & trade mission training sessions	4-6 training sessions will be organised for the selected companies based on their sector with tailored advice about regulations and exporting procedures relevant to the target markets. Virtual trade mission preparation sessions will also be organised to ensure that the selected companies can properly prepare for and follow up on their virtual meetings and maximise their participation	Jun 2021 – Dec 2021
Virtual Trade Missions (80 companies participating)	4-6 virtual trade missions will take place whereby SELEP companies will have the opportunity to meet with in-market contacts to present their business.	Sep 2021 -Feb 2022

Follow-up support to companies	The delivery partners and their local export support providers (DIT etc.) will work with companies to ensure that leads obtained during the virtual trade missions are correctly followed up and that any potential barriers to overseas orders being fulfilled are tackled.	Feb 2022 onwards (this will continue after the formal end of the project)
Evaluation report including details about benefits captured from participating companies	The partners will capture detailed feedback from the companies to gather information about immediate benefits for each participating company (e.g. leads generated, direct export sales etc.) which will be followed up at regular intervals after the project end date to capture longer term benefits.	Feb 2022

15. Benefits created by 2021 (list benefits with number/amount and cash value if applicable)

Type of Benefit	Number of benefits created	Cash value of benefit (£)
New skills and knowledge gained by participating SMEs	150 SMEs with new knowledge and boosted internal export capacity	
International exposure for SMEs	At least 100 SMEs exposed to new contacts and opportunities international markets	
Sales leads generated for companies	At least 3 sales leads per company participating in the virtual trade missions	300 leads
Export orders / contracts secured	New export orders for companies participating in the virtual trade missions in the year following the project implementation	£500,000 estimate (Average £5K per company)
Increased export turnover for exhibiting companies	5% increase in export turnover between the start of the project and 12 months after the end of the project	£500,000 (average £5K per company)
No. of new active international markets	SMEs trading in 1 or 2 new export markets as a result of the project's support	

16. Value for Money – Benefit/Cost Ratio

Measuring the benefits of export-support activities such as trade show stands can be difficult in a short timescale as it usually requires a period of several months or even years to secure direct export orders. The SEED project is in uncharted territory with the implementation of virtual trade missions. The partners anticipate that process of 'meeting' new contacts, following up leads and negotiating order details might be lengthier with virtual rather than physical interactions with overseas buyers, distributors, agents and customers. Nevertheless, the SEED project aims to produce similar outcomes and results to those which would be achieved by organising traditional trade show stands / pavilions or organising physical trade missions but at a significantly reduced cost.

In recent years, DIT-funded physical trade shows offered a £70 return for every £1 spent (Gambica 2018) which shows the value of helping businesses with this type of activity i.e. connecting companies to in-market contacts. Also, metrics detailed in an evaluation of UKTI's (now DIT) Tradeshow Access Programme by the London School of Economics in 2008, showed that companies participating in a single trade fair reported an average financial benefit of £40,000.

The partners are confident that the SEED approach will lead to a number of impacts and results for the beneficiary companies and therefore for the SELEP area, which can be captured and measured. These will include the value of direct export orders / contracts won by participating SMEs.

Based on being able to connect around 100 SELEP SMEs with potential buyers / distributors / customers in-market, the partners would estimate a direct return on investment in terms of export sales of between £2,000 and £10,000 (average £5K) per company (dependent on their size and the nature of their products / services) leading to a potential benefit of at least £500,000 in the year following the implementation of the project with longer term benefits being felt by the companies further into the future. A conservative initial benefit cost ratio for the SSF investment would be

just over 3.5:1 but the partners anticipate this being higher in the longer term. (3.8:1 is correct – we had to reduce the overall budget at the last minute prior to submission as one source of match funding was no longer available and this ratio was not adjusted accordingly – apologies. In fact given the potential necessary budget amendment above, this is now above 4:1)

Commented [AB-SFBP6]: I make it 3.8, how has this been calculated?

Certain company data will be captured and the start of the project including number of employees, (export) turnover, number of international markets etc. We will then capture details of benefits felt by companies using a detailed project evaluation form which businesses will complete before the end of the project. Further follow up contact with the businesses after the end of the project will enable additional data to be captured.

17. Value for Money – Other Considerations

Once a company has made the necessary internal preparations for export markets (ensuring compliance with regulations in target market, internationally-tailored communication and labelling materials, suitably skilled staff, decisions on shipping, logistics, payments and aftersales support etc.), in order for them to successfully export, they need to ensure that they find the right distributors / partners / customers in their target markets. While a physical market visit or exhibiting at a relevant international trade show are proven ways to make the right contacts and convert leads into new export sales, albeit at the cost of a significant time and resource commitment from the business (to travel, prepare and follow-up activities), the SEED approach of virtual trade missions aims to obtain similar outcomes for companies at a significantly reduced cost whereby expensive travel, accommodation and exhibition stand costs will not be required. This is an attractive proposition for companies who may traditionally struggle to commit staff resource to such time-intensive activities.

It is unlikely that individual companies could identify the right in-market partners by themselves, but by doing this on behalf of a number of different businesses, the SSF and partners' investment in the project will provide excellent value for money.

The SELEP Sector Support Fund is the most suitable mechanism for supporting SEED for several reasons:

1. The proposed activities go above and beyond the business as usual activities of the delivery and support partner organisations so couldn't take place without external funding.
2. Piloting such an approach makes sense at a LEP-wide scale to ensure that there is a sufficient critical mass of businesses in the target sectors and with export potential which could benefit from the project – this would be much less feasible on a smaller geographical scale.
3. The project is a discrete and new piece of work which will provide a much-needed boost for businesses in some of SELEP's key priority sectors at a very challenging economic time.
4. SEED will bring together the right project partners to pool their expertise, experience and international networks in order to implement an innovative programme of support for businesses at a time when traditional export support activity is not entirely possible and when it is important for businesses to be able to access new opportunities to help with their recovery and future growth. The primarily virtual approach combined with the strengths of the partnership provides a package of support for businesses which demonstrates excellent value for money.

SEED 2 complements the core export support offer from DIT and the Chambers whose expertise and connections will also be available to help beneficiary companies. The current (and likely future) Department for International Trade support offer is focused on medium sized businesses (£500K+ turnover) with high value export potential while support for smaller companies including 'new to export' firms is now mainly being delivered online. SEED will target companies with an average turnover of around £100K and that aren't yet operating at a stage where DIT can provide full in-depth support but the project will play an important role in helping them get there.

18. Dependencies and Risks

Risk	Likelihood	Impact	Mitigation	Overall risk
The possibility of a lack of clarity at the end of the UK-EU withdrawal period causing additional uncertainty among businesses about trading relations with particular EU and international markets	Possible	High	Monitor Brexit implications after the 'Transition Period' and select markets where we know that companies could do business without too many hurdles. Take into account up to date guidance from government department, DIT.	Medium
Risk of the corona virus pandemic causing ongoing capacity issues among target SMEs and affecting export appetite and capability	Possible	High	Work with companies and local business support providers to provide the right assistance to reduce the burden of market research and contact finding	Medium
Failure to recruit sufficient numbers of companies to participate in the main project activities	Unlikely	High	Wide publicity campaign involving local partners in the different federated areas of SELEP and selecting well-known industry events and providing attractive package of hands-on support	Low
Failure to secure direct export wins as a result of the virtual trade missions	Possible	High	Maximise in-market contacts and networks and organise the activities in an attractive and innovative way to ensure buy-in	Medium
<p>This project was re-developed a few months into the coronavirus crisis when the first signs of recovery were starting to appear. Part of the rationale for the SEED project was to provide practical assistance to companies in the 'new normal' by focusing on a virtual approach to international market entry, something which hasn't really been tested before. The project will also be implemented at a time when companies need additional support and advice to help them navigate through the additional challenges caused by Brexit. The partners recognise that the world economy now looks very different and will approach the project flexibly to ensure that companies are receiving the right support in a way that ensures maximum exposure to the best international opportunities. The partners and potential beneficiary businesses have now got used to operating in new ways (especially digitally) and will take a similar approach to ensure that the project achieves successful and lasting outputs and benefits for companies in the SELEP area.</p>				
19. State Aid Implications				
<p>Even though the value of the support provided per beneficiary company will be very low, it will be treated as 'secondary level State Aid' under the EU De Minimis regulation (1407/2013) (or new UK equivalent if things change after 31 December 2020). The partners will ensure that the following activities take place to ensure compliance:</p> <ol style="list-style-type: none"> 1. Include a self-certification section on the project expression of interest form for companies to sign declaring any previous state aid awarded and that they have not received more than the permitted de minimis threshold during the last 3 fiscal years 2. Informing the beneficiary companies (at the selection stage) of the likely value of the state aid (project support) to be provided through the SEED project 3. Writing to each beneficiary company at the end of the project to confirm how much de minimis aid has been granted by the project. 4. Ensuring that records are retained by the beneficiary companies (SMEs) and the awarding bodies (project partners) for a period of 10 years after the end of the project. 				
20. Contracting Body				
Kent County Council, Economic Development, Invicta House, County Hall, Maidstone, Kent, ME14 1XX				

Mr David Smith, Director of Economic Development, david.smith2@kent.gov.uk 03000 417176

21. Project Governance Structure



The above individuals will take part in the project steering group which will meet at regular intervals (mostly virtually, but physically if conditions allow) to plan and oversee the implementation of the project.

Partner Roles:

Kent County Council – Lead Applicant:

- KCC will lead on all activities and will dedicate at least 1FTE project officer + management and admin support to managing the overall project and coordinating activities across the partnership including overall coordination and organisation of business engagement activities, export readiness activities, virtual trade missions
- Responsible for commissioning external services on behalf of the project
- Reaching out to businesses in Kent & Medway (in liaison with Medway Council and districts)
- Drafting and tailoring copy and promotional materials including templates for newsletter articles, tweets, sending emails and information to external partners (district councils, Growth Hubs, Federation of Small Businesses, Institute of Directors etc.) to raise awareness of project activities
- Reviewing expression of interest forms locally and discussion with wider partnership to agree final beneficiaries
- Contacting local companies to capture results and benefits from project participation
- Administering the financial aspects of the project including budget planning and monitoring and keeping & retaining records and evidence of project expenditure

Essex County Council, Opportunity South Essex, Medway Council:

- Liaising with local business support organisations to promote the project
- Reaching out to businesses in each respective area (in liaison with Medway Council and districts)
- Reviewing expression of interest forms locally and discussion with wider partnership to agree final beneficiaries
- Liaising with local department for International Trade and Enterprise Europe Network contacts
- Contacting local companies to capture results and benefits from project participation
- Providing input to final project report and dissemination of results to local contacts and stakeholders

Kent Invicta and Sussex Chambers:

- Engaging with potential beneficiary companies - sending details of project and requesting expressions of interest
- Making use of existing communication channels to promote the project to their membership base
- Support with organisation & delivery of export readiness group training events
- Support with organisation & delivery of virtual trade mission preparation sessions
- Liaising with international chamber network colleagues and in-market contacts
- Facilitating access to relevant existing training / workshops for companies
- Reviewing company expression of interest forms locally and discussion with wider partnership to agree final beneficiaries
- Providing input to final project report and dissemination of results to local contacts and stakeholders

Department for International Trade (South East and East teams):

- Speaking to companies, sending details of project and requesting expression of interest forms
- Support Delivery of elements of training workshops, 121 support & advice to companies
- Connecting project to overseas posts / contacts
- Reviewing company expression of interest forms locally and discussion with wider partnership to agree final beneficiaries for different project activities
- Supporting selected companies to discuss any barriers / issues to be resolved prior to virtual trade missions
- Referrals to wider DIT export support programmes and activities that would benefit beneficiary companies

22. Declaration

Declaration	I certify that the information provided in this application is complete and correct
Signature (Lead applicant)	Digital submission
Print Name	Steve Samson
Organisation	Kent County Council (Economic Development)
Date	22 October 2020