

NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP GROWING BUSINESS FUND

GUIDANCE FOR APPLICANTS – May 2019

New Anglia Local Enterprise Partnership (New Anglia LEP) is working in partnership with Finance East and Suffolk County Council to deliver the highly successful Growing Business Fund. This funding programme provides direct grants to local businesses intending to grow and create new jobs.

The **Growing Business Fund** offers grants between **£25,000 and £500,000**. There are no formal deadlines for grant applications, which can be submitted at any time. All enquiries regarding the Growing Business Fund should be directed to:

New Anglia Growth Hub

Tel.: 0300 333 6536

E-mail: growthhub@newanglia.co.uk

www.newangliagrowthhub.co.uk

New Anglia Local Enterprise Partnership covers the two counties of Norfolk and Suffolk; it is very supportive of the development of businesses across the two counties and offers a range of support in the form of various grants and loans. Businesses also have free access to the New Anglia Growth Hub, whose advisers will visit your business to meet you one to one, to provide business advice, offer suggestions and signpost to help (if needed) to grow your business.

One of New Anglia LEP's most successful and flagship initiatives, the Growing Business Fund has supported over 400 businesses to date, awarded £24 million with the expectation of creating over 2,700 new jobs. The process is very simple and provided you are eligible and able to work with us we can award a grant within a few weeks.

After an initial discussion with the New Anglia Growth Hub and completion of an Expression of Interest, a full due diligence audit will be carried out by Finance East who are an independent financial company; your application will then be considered by an independent panel who meet monthly. They award the grants, subject to their full discretion.

After the grant is awarded you will be assigned a case worker from Suffolk County Council who will support you throughout the claims process.

We suggest that you read these guidelines and talk to a Growth Hub adviser at the earliest opportunity, even if you are not sure if this is the most appropriate route for you. Our advisers will be able to signpost other options if the Growing Business Fund is not suitable.

If you intend to make a formal application to the Growing Business Fund, you must read and ensure you understand all the content of this Guidance

You will be asked to sign a declaration to this effect

Please note, we cannot be held responsible for any advice on eligibility you may receive from third parties.

1. IS YOUR BUSINESS ELIGIBLE?

1.1 Legal Status

Grant applicants may be sole traders, partnerships, limited companies, social enterprises, Not-for-profit businesses and registered charities, so long as they are engaged in an economic activity.

1.2 Established Businesses

The Growing Business Fund aims to support established businesses that are ready to grow and expand further. Grants are available to start-up businesses or those in the very earliest stages of trading with evidence of a strong potential to trade immediately.

1.3 Business Sectors

The Growing Business Fund is open to applicants from many different business sectors, although there are some exceptions beyond our control such as businesses involved in primary agriculture and horticulture, fisheries, aquaculture, forestry, steel, synthetic fibres, retail (including farm shops and post offices), pubs and hotels, care sectors, health and medical services, financial services, restaurants, cafes, hairdressers, haulage (not vehicles) passenger transport, estate and employment agencies are also not eligible.

1.4 Business Size

The Growing Business Fund is able to support Micro, Small, Medium and Large businesses. For more details of these size definitions, visit:

http://www.etsi.org/images/files/membership/SME_definition_user_guide_2015.pdf

1.5 Amount of Funding Available

The table below gives more detail on the **maximum** levels of grant funding available:

Business Size <i>(Usually based on data as at the end of your last financial year)</i>	Maximum Grant Award <i>(all grants awarded will be in the range £25,001 to £500,000)</i>
Micro - fewer than 10 employees, and annual turnover or annual Balance Sheet total not exceeding €2m	Usually up to a maximum of 20% of total expansion costs, but may be eligible for up to 30% if based in an Assisted Area*
Small - fewer than 50 employees, and annual turnover or annual Balance Sheet not exceeding €10m	Usually up to a maximum of 20% of total expansion costs, but may be eligible for up to 30% if based in an Assisted Area*
Medium - fewer than 250 employees and annual turnover not exceeding €50m or annual Balance Sheet total not exceeding €43m	Usually up to a maximum of 10% of total expansion costs, but may be eligible for up to 20% in certain circumstances or if based in an Assisted Area*
Large - 250 or more employees or both annual turnover exceeding €50m and annual Balance Sheet total exceeding €43m	Usually up to a maximum of 10%, but only for expansion taking place in an Assisted Area*

*To access an interactive map of Assisted Areas in Norfolk and Suffolk, visit:
<http://www.ukassistedareamap.com>

1.6 Sustainable Businesses

The Growing Business Fund supports growing and expanding businesses wanting to continue their development. You must be able to demonstrate that your business is viable, has good growth potential and will be self-sustaining in the long term. The Fund cannot support businesses whose Balance Sheets indicate present or recent trading difficulties.

2. IS YOUR PLANNED EXPANSION ELIGIBLE?

2.1 Location

Your proposed expansion must be taking place in, or you must at least have a business base in, either Norfolk or Suffolk. We are particularly keen to support businesses considering expanding and relocating to Norfolk or Suffolk.

Your planned expansion must be based in or at least managed from Norfolk or Suffolk

2.2 New Job Creation

Your expansion plans **must** include the creation of new employment unless you are expanding and increasing your productivity, **please see 2.7**.

The new jobs must be permanent new positions in the business and expected to last **at least** twelve months

You will be required to create **at least** one new job for each £20,000 of grant awarded, or for new Apprentice positions, one for each £10,000 of grant - the actual grant is **not** for the jobs themselves but is to support other investment which *leads to* job creation.

Please note also that we will consider the level of salary and type of job created, and a new job must be paying at least the minimum wage; we will also be seeking evidence of future increases in that pay (to be shown in the financial forecasts). It is expected that new jobs will be created within twelve months of grant approval and be directly related to your expansion plan.

You must create **net** new jobs, i.e. an overall increase in your staff numbers when compared to the number of staff employed at the date of your grant application. Please note that new jobs created can only be counted if they are created **after** the date of approval of your grant.

Where there are new jobs they must result in an increase in overall staff numbers

Any new jobs should last at least 12 months

Jobs created prior to formal Approval of your Grant cannot be counted towards your agreed target

New Apprenticeship positions are welcomed, but **only** if they are not supported by any European, Government or Public funds, are expected to last at least twelve months and are expected to lead to full time, long term positions in the business.

A new Full-Time job is defined as one of at least 30 hours per week, with Part Time positions being 15 - 29 hours per week. Two such Part Time positions may therefore count as one Full-Time equivalent position.

**Please note - seasonal and 'zero hours' jobs cannot be considered.
Routine replacement for staff leaving also cannot be considered.**

2.3 Safeguarding of jobs

We may be prepared to consider applications for funding which actually safeguard jobs rather than create new ones. In this instance as a business you must clearly demonstrate one or more of the following:

- Significant contract loss
- Job numbers are in decline
- An adverse trend in turnover versus profit
- The business sector as a whole is in difficulties
- That you can demonstrate diversification into a new service or product

In all cases your business must have the potential to be viable in the medium to long term Please talk to your Growth Hub adviser to discuss, this list is not exhaustive

2.4 Readiness of the Planned Expansion

New Anglia LEP wishes to support expansion that is ready to commence **immediately** after Grant Approval. Where needed, you must provide confirmation **at the time of your application** that **all** necessary Planning Permissions and any other permits and licences to operate, are actually in place or confirmation that they are not required

*All necessary planning permissions, permits, and licences must be in place.
Your expansion plan should be ready to begin.*

2.5 Funding for your Expansion Plan

Grant applications can only be considered when you are able to provide confirmation that **all** the remaining funds needed for your expansion plans are in place. You will be expected to provide clear evidence of this, including an email funding agreement in principle, or finance Offer Letters, Bank statements, etc. **with your application.** Simple 'quotations' for finance are not sufficient.

Some of the most common sources of additional funds are shown below, but this list is not intended to be exhaustive, and other funds may be acceptable:

- Bank or Asset Finance;
- Company funds;
- Director / Partner / Owner or private individual contributions; evidence of funds being available will be required
- Private or personal investment;
- Private or personal loans;
- Venture capital investment.

Please note that future cash flow or profit, or "in-kind" support which does not represent actual funds are not eligible, nor can we allow any other grants or funding from Public Sector sources (UK Government, European Union, Local Authorities etc.)

The finance being used to match the grant must be in place at the time of your application, and must be evidenced

Future cash flow / profit, and other Public Sector funds are not eligible

2.6 Need for Grant Funding

You must also, in your grant application, explain why you require a grant, what difference it will make to your business, and why you have been unable to obtain all the finance you need for your expansion. This is important, as grant funds cannot be used to support expansion plans where other funding appears to be available, or where the expansion would proceed regardless.

Why do you require a grant, and what difference will it make to your business?

Have you maximised other funding sources before making a grant application?

2.7 Increase in Productivity

It is possible to apply for a grant to increase productivity and efficiencies due to innovation, new equipment or working methods, and without necessarily employing additional staff. In this instance we would expect you to provide robust measures and later evidence of how that increase in productivity or outputs might take place before the panel meeting. Each business will have its own measurement for instance you may measure sales per employee, speed of output, or sales per space, turnover per employee. We will expect to see robust forecasts indicating future growth and evidence of an order book.

2.8 Large Businesses in Assisted Areas

Large businesses may be eligible for grant funding, for initial capital investment, in the following circumstances:

- Your planned expansion and new jobs must be based in an Assisted Area of Norfolk or Suffolk; **and**
- Your investment must be in assets related to the setting up of a new establishment* involved in a new economic activity** in the area; **or**
- Represents diversification in the activity of an existing establishment, provided that the new activity** is not the same or a similar activity to that previously performed in that establishment; **or**
- Comprises acquisition of assets belonging to an establishment which has closed (and is bought by an investor unrelated to the seller), provided that the new activity** is not the same or similar to that previously performed in the establishment

**a new establishment is a new place of business which is intended to be stable, regular and to continue for an indefinite period. Usually this would require the place of business to be fully functional, autonomous and self-standing (although it may share back office functions such as IT and HR)*

*** a new activity is an activity which does not fall under the same four-digit NACE or SIC code as the activities previously undertaken at the establishment, or by the business in the local area.*

You will also need to provide written confirmation that your business (at Group level if appropriate) has not closed down the same or similar activity in the European Economic Area in the two years prior to your application for grant funding, and you do not have plans to close such an activity in the two years following completion of the new expansion. Please note further restrictions may apply if you make an investment within three years from the start date of the expansion in another investment in the same local area, i.e. Norfolk or Suffolk.

Large businesses may be eligible for a grant if expansion is to be in an Assisted Area, **and** represents a new activity or a new establishment

3. WHAT EXPANSION COSTS ARE ELIGIBLE?

New Anglia wishes **only** to support well considered expansion plans which lead directly to business growth and/or job creation, not simply expenditure on routine improvements and upgrades which are incidental to expected growth in business. We will only consider costs which are directly related to expansion plans.

The table below outlines the main investments which can and cannot be included in overall expansion plans, and those costs which are specifically eligible for grant payments.

Please note that grant awards in respect of expenditure relating to property whether on construction, purchase, or improvement will be limited to 10% (in some cases 20%) Our strong preference is to support equipment and other expenditure which focuses on improving productive capacity, rather than simple expansion of property.

Acceptable costs and eligible for grant payments (ALL businesses)	Premises (construction, purchase, extension, improvement)	But not the purchase of your current leased premises, improvements required to simply comply with national or EU standards, or routine refurbishment
	Fixtures and fittings, furniture	Some fixtures and fittings may be regarded as property improvements
	Plant and equipment, machinery, tooling	
	IT Equipment, software, licences	
Acceptable overall costs, but may not be eligible for grant payments (Micro, Small and Medium businesses)	Marketing, including costs for participation in trade fairs	Must be related to the expansion plan and not a general running cost or regular advertising
	Creation of a new website related to the proposed expansion	Not routine maintenance / updates
	Professional fees (legal, planning, architectural etc.)	Not consultancy related to your grant application, tax consultancy, or regular legal services
	Recruitment costs for new staff related to the proposed expansion	
	Commercial vehicles, including second hand	For use within the business only. Must be an outright purchase from a bona fide business with a VAT receipt. (Large businesses cannot be considered for a second-hand vehicle purchase).
	Training	Only where essential for new staff to become effective in the business, and where provided and invoiced externally. Not training that is carried out simply to comply with national mandatory standards e.g. health & safety, first aid etc.
	Stock	Only where a one-off addition to stock is deemed essential to the expansion
Other costs may also be considered	Depending on the details of your expansion	
Ineligible project costs	Research and Development	
	Working capital / routine operating costs	Including costs such as rent, rates, utilities, current and new personnel wages and other overheads.

VAT cannot be included in any of your costs, unless you are unable to reclaim it.

If a grant including property expenditure is approved, it is also expected that:

- Freehold property should be in the name of the trading business - we will not support property Holding Companies, or property in the names of Directors / Owners, or in their pension funds
- If rented, the Lease should have a minimum of three years unexpired term

Please note that NO expenditure on your expansion plan is permitted before the date of your grant Approval.

This is checked very carefully against invoice dates and Bank statements or other payment evidence, during the Claims and Monitoring period (see **Section 4.6**). Any expenditure which is found to have been authorised or actually incurred prior to your Grant Approval will be deducted from your overall expansion costs, and your grant will be reduced as a result. You are strongly advised not to commence your expenditure until you have received and formally accepted your Grant Offer.

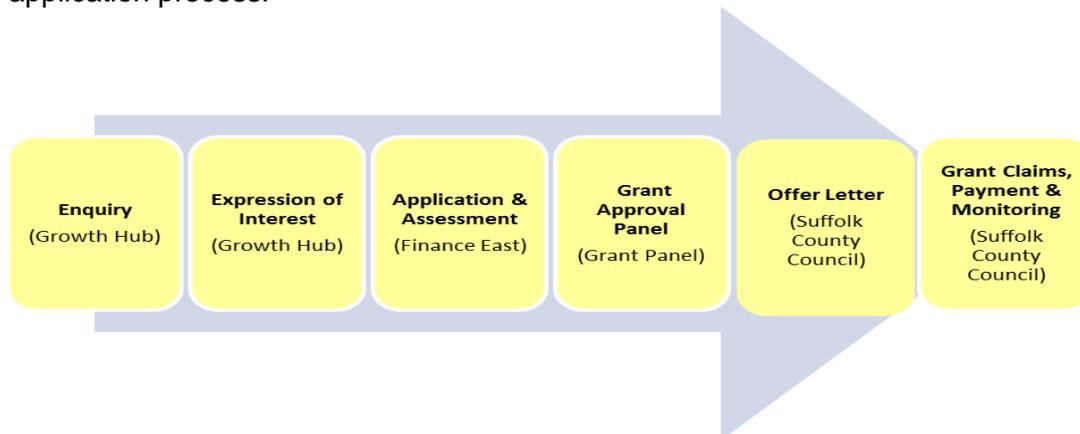
No spend prior to the date your grant is Approved can be allowed against your overall expansion costs

Do not start your expenditure until you have received and formally accepted your Grant Offer

4.

HOW TO APPLY FOR GRANT FUNDING

New Anglia is working in partnership with Finance East (FE) and Suffolk County Council (SCC) to deliver the Growing Business Fund. The diagram below outlines the grant application process:



4.1 Enquiry

Businesses wishing to apply for a Growing Business Fund grant award should first contact the New Anglia Growth Hub (see the contact details on page 1).

A Business Growth Adviser will arrange to discuss your expansion plans with you.

If your intended expansion appears to meet the main eligibility criteria for the Growing Business Fund, your Adviser will help you to complete an Expression of Interest form. This form must **NOT** be handwritten.

4.2 Expression of Interest

Your Expression of Interest form will enable us to further assess your eligibility for grant support. A hard copy of the form, with **original** handwritten signature must be provided to the Growth Hub. Please note that completion of an Expression of Interest form must not in any way be taken as an indication that a full grant Application will be approved.

4.3 Application and Assessment

Your Expression of Interest form when fully completed will be passed to Finance East, FE an external organisation engaged by New Anglia to fully assess grant applications and make recommendations to the Grant Approval Panel.

FE will work with you during the assessment stage of your grant application. They will send you a formal Application form for completion, and request supporting information in order to properly assess your expansion plan and its suitability for the Growing Business Fund. Supporting information will include, but not be limited to, details about your business, its Directors / Partners / Owners, its shareholders, business plan, and both historic and forecast financial performance.

Your Application may be sent to FE electronically in the first instance, however, a hardcopy with **original** signatures must be provided. Your Application should be signed in accordance with your normal signing arrangements, i.e. the usual number of owners, directors or shareholders. FE will undertake a detailed assessment of your proposed expansion based on the Application Form and the supporting information provided. If necessary, you will be asked to supply further information.

An assessment will also be made of the competition in your sector and the extent to which your expansion might affect other similar businesses. Applications which appear to duplicate or take business from other businesses locally will in general not be supported. The overall assessment of your Application is likely to involve at least one meeting with the owners, directors or shareholders of your business, and a visit to your premises.

You will be expected to progress to the full Application stage within three months from the date your Expression of Interest EOI Form is accepted by the Growth Hub. Any longer and you may have to resubmit a new EOI

Once assessment of your Application has been completed, FE will prepare a Report and recommendation and this will be submitted to the Grant Approval Panel which will take a final decision on your grant Application. Each application is considered on merit

4.4 Grant Approval Panel

All eligible Applications are considered by a Grant Approval Panel, which meets monthly. Please note, your Application will NOT be considered by the Panel until we have received your original signed hardcopies of both the Expression of Interest and Application Forms.

The Panel will consider the Report prepared by FE and will reach a decision on your grant request based on the information provided and the extent to which your expansion plan meets the main objectives of the Growing Business Fund. The Panel's final decision on your Application will be communicated to you as soon as possible by phone and email. Should your Application be rejected by the Panel, an explanation will be given. Please not however, that there is no right of appeal against the Panel's decision. New Anglia LEP is prepared to consider representations from unsuccessful applicants **only** if they feel that their Application has not been handled in accordance with the process outlined in this Guidance document.

4.5 Offer Letter

If your grant Application is approved, SCC, New Anglia's partner organisation undertaking the management of grants, will send you a formal grant Offer Letter that will include the following:

- The amount of grant you have been offered and the State Aid regulations under which it has been approved;
- Conditions of the Offer - both Standard Conditions and any requested by the Panel;
- The job creation requirements and other results that must be achieved;
- How to submit Claims and Monitoring returns, how to obtain your grant funds, and the final date by which you must claim the grant;
- Details of the overall agreed expansion expenditure, and those items specifically eligible for the payment of grant;
- How your project will be monitored by SCC, and contact information for your grant Caseworker at SCC;
- A Grant Acceptance Form which needs to be signed and returned to SCC;

SCC will also arrange to visit you to discuss the Offer Letter in detail, to ensure that you fully understand the Terms and Conditions of the grant, the process for Claims, and so on.

Once your grant has been approved, you may start spending money on the agreed expansion costs and grant eligible items categories, **but not before**. Breaches of this condition is likely to result in your overall expansion costs, and grant, being reduced or even withdrawn.

The Offer Letter, Standard Conditions, Grant Acceptance Form and any other attachments sent to you, form the Grant Agreement between you and SCC. This is a legally binding Agreement, and you should ensure you read and understand all the content. The Grant Acceptance Form should be signed in accordance with your business' usual signing arrangements.

4.6 Grant Claims, Payment and Monitoring

You will be expected to complete and submit Claim and Monitoring Forms to SCC to evidence progress with your expansion plan and job creation, and to enable the agreed grant to be paid. The Forms must be supported by the following documents:

- Invoices;
- Receipts or bank statements showing these invoices have been paid;
- Any other evidence required by SCC;

You will be expected to provide evidence for the **total** expansion expenditure in due course, not just the grant-related items, although you are not expected to wait until it has all taken place before you claim the grant.

You will also be asked to complete an Asset Register Update Form for all capital purchases, such as buildings or items of equipment, where individual items cost £5,000 or more and have a useful life of at least one year.

To evidence the creation of the agreed jobs, you will be asked to supply signed Contracts of Employment and produce "before" and "after" extracts from your payroll records showing that the new staff are being paid and represent increases to your overall staff numbers.

Your expansion plan will be monitored by SCC until all the agreed spend has taken place, the new jobs have been created, or jobs safeguarded, and any other agreed actions have been taken; however, SCC may continue monitoring your plan after that, if deemed necessary, and will arrange this separately if required. You must assist SCC with any evaluation of your expansion plan and the use of the grant which they are required to undertake under the terms of the grant programmes.

SCC will also, at a suitable point in your expansion, undertake at least one monitoring visit to your business. This is likely to be towards the end of your plan, when evidence of the increased productivity, expansion, spend, and job creation will again be assessed.

Your expansion plan will be considered to be finally complete when all expenditure has place, all required outputs have been achieved, a monitoring visit has taken place and all outstanding queries, if any, have been resolved.

You must keep a satisfactory record of all your expenditure on the plan, and of any fees, costs or other payments made to staff. SCC may ask to see your records at any reasonable time, and you must comply with any such request. You must keep the records for **ten years** beyond the monitoring period.

5 FURTHER GRANT APPLICATIONS

If you have already received a grant or grants and would like to submit another application for funding for further expansion, this is acceptable, as long as you can demonstrate that the previous expansion plans have been fully completed as expected, and all conditions have been complied with, including job creation.

A new expansion plan must not duplicate any previous application(s) and the additional funding to be used must be different to that used as part of your previous application(s).

In the event that available grant funding is oversubscribed, priority will be given to first time applicants.

6 PUBLICITY

Successful grant applicants will be expected to acknowledge as widely as possible the support and involvement of New Anglia in their expansion plans.

The New Anglia logo must appear on all publicity related to the expansion, such as websites, site boards (where applicable), leaflets / brochures etc. You must use the following wording: 'This expansion was supported by New Anglia Local Enterprise Partnership through the Growing Business Fund'

New Anglia must approve, **in advance**, any publicity or other material to be released to the media in connection with the grant. New Anglia also reserves the right to refer to any individual business, and the funding offered, in any of its own publicity material.

New Anglia may also prepare a Case Study for its website and / or a Press Release for local media on your expansion, in order to help to promote the grant programmes. You will be expected to assist and provide New Anglia with relevant information, including photographs, logos, quotes etc. New Anglia may also publish your business name, the amount of the awarded grant and brief information about your expansion, in any overall summaries of grants awarded.

7. DATA PROTECTION

General Data Protection Regulation (GDPR) and Freedom of Information Act 2000

New Anglia LEP is the 'Data Controller' for 'New Anglia Business Growth Programme' (including the Growing Business Fund) related personal data and controls and processes personal data (including sensitive special data) under the lawful bases of **Article 6 (1) (e)** and **Article 9 (2) (g)** of the European Union 'General Data Protection Regulation' (2016/679).

New Anglia and its partners will use the information you provide to assess your grant Application, to administer and analyse applications, and for research purposes. We may give copies of all or some of this information to individuals and organisations we consult with when assessing applications, administering the grant programmes, monitoring projects and evaluating funding processes and impacts. These organisations may include accountants, external evaluators and other organisations or groups involved in delivering the grant programmes.

We may use personal information provided by you in order to conduct appropriate identity checks. Personal information that you provide may be disclosed to a credit reference or fraud prevention agency, which may keep a record of that information.

If you provide false or inaccurate information in your Application or at any point in the life of any grant funding, we award to you and fraud is identified, we will provide details to fraud prevention agencies, to prevent fraud and money laundering.

Data is recorded on the 'New Anglia Business Growth Programme' Customer Relationship Management System (CRM) which is shared with 'New Anglia Business Growth Programme' partners (New Anglia Local Enterprise Partnership, Nwes, Menta, Suffolk Chamber of Commerce and Finance East) and Norfolk and Suffolk local authorities.

Data may be shared with 'New Anglia Business Growth Programme' partners as well as the Ministry of Housing, Communities and Local Government and to the Department for Business, Energy and Industrial Strategy for the purpose of supporting your business/organisation and for reporting and statistical analysis.

The Freedom of Information Act 2000

Data recorded by the 'New Anglia Business Growth Programme' is subject to the Freedom of Information Act 2000.

The Freedom of Information Act 2000 gives members of the public the right to request information that is held. This includes information received from third parties, such as, although not limited to, grant applicants, grant holders, contractors and people making a complaint. If information is requested under the Act it will be released, subject to some exemptions, although you may be consulted first. If you think that information you are providing may be exempt from release if requested, you should let us know when you apply.

As a Public Authority, SCC is subject to the provisions of the Act. As part of SCC's duties under the Act it may be required to disclose information forming part of any contract to anyone who makes a reasonable request. SCC has absolute discretion to apply any exemptions under the Act.

The Freedom of Information Act recognises that there will be valid reasons why some kind of information may not be disclosed, such as if its release would damage commercial interests or if it would contain personal information about another individual. SCC is

not obliged to deal with vexatious or repeated requests or, in some cases if the cost exceeds an appropriate limit. Information supplied for the purposes of evidence or

supporting information for the Growing Business Fund that any applicant wishes to remain confidential must be clearly marked as confidential. This marking will be considered in the event of a request under the Freedom of Information Act, but the preservation of confidentiality cannot be guaranteed due to the statutory obligations of the Public Authority.

In addition, information will be supplied for statistical purposes to the Ministry of Housing, Communities and Local Government and to the Department for Business, Energy and Industrial Strategy