

UKSPF & REPF

DISCRETIONARY BUSINESS GRANTS FUND ROUND 2

GUIDANCE NOTE

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1. Background to Business Grants

- 1.1 Following the successful submission of a United Kingdom Shared Prosperity Fund (UKSPF) Investment Plan and Rural England Prosperity Fund (REPF) addendum to the UK Government, Melton Borough Council has been successful in securing £1.59m of funding. These funds will support, amongst other things, our local businesses and wider economy in the borough.
- 1.2 One of the ways Melton Borough Council is able to achieve this is through providing grants to businesses that meet certain criteria and eligibility, if they are able to demonstrate they can deliver specific outputs and outcomes. The purpose of this Guidance Note is to highlight the grant priority areas that will be available, provide an overview as to the eligibility and criteria to access the grants and to provide further information on how grants will be assessed and awarded.

2. The UK Shared Prosperity Fund and Rural England Prosperity Fund

- On 13 April 2022, the Government announced the <u>UK Shared Prosperity Fund</u> (<u>UKSPF</u>), which was a national non-competitive fund that allowed Local Authority areas to submit Investment Plans to national government to put a case forward as to how their share of funding would be used to enhance the local area. Following significant consultation with partners and stakeholders, the Council was successful in obtaining £1.19m on 16 December 2022. A further £400k was successfully obtained following the successful submission of a REPF Addendum to national government. Up to £300,000 has been set aside for business grants, whilst the remaining funding will support interventions relating to business support, community projects, skills development, town centre projects and supporting people and communities in our rural hinterland.
- 2.2 The REPF is complimentary to the UKSPF and tops up UKSPF for certain additional criteria. For ease the Council has decided to integrate the REPF with the UKSPF. This approach aligns with the Government's commitment to streamline the funding landscape.
- 2.3 The UKSPF and REPF fund for the district is being managed by Melton Borough Council. The Council, as the accountable body, must follow the guidance set by government and is responsible for ensuring value for money and compliance with areas such as procurement (where applicable), subsidy control and other regulation and legislation of relevance to the UKSPF and REPF.
- 2.4 Whilst not a requirement, Melton Borough Council has decided to set out the scope of the business grants that will be funded via the UKSPF to provide clear guidance on how to access these grants, which types of businesses are being prioritised, as well as the rationale for determining grants under the specific schemes that will be delivered through this programme.

- 2.5 Potential applicants will be/are asked to note that:
 - a. Any of the grant priority areas identified in this document will be competitive. Therefore, submission of an application to any of the grant schemes does not guarantee award of a grant nor place any obligation on the Council to award funding should all relevant criteria be met.
 - b. Grants under this fund could be subject to tax in line with the applicant's tax arrangements, so the Council would advise seeking advice on this matter, should you be unsure what implications this may have on your business.
 - c. The Council reserves the right to ask for clarifications throughout the grant process up to the point of a final decision being made. Failure to respond to these requests may result in applications not being fully processed and funding not awarded.

3. Total Funding Available

- 3.1 The amount of funding available for each of the grant priority areas varies by year. For Round 2 there are two grant priority areas that attract a total of £170,000 in the 3rd year. The Council reserves the right to alter these during end of year or in-year reviews if required and increase the maximum grant amount in exceptional circumstances.
- 3.2 Further information for each grant priority area is shown at Annex A to this document. Due to the limitation of funding available, the two priority areas for which grants will be awarded are:
 - 1 Business Startups (including Pre-Startups).
 - 2 Supporting Business Growth.
- 3.3 As is likely to be the case, over subscription to the funding available for these grants will require the Council to prioritise which types of businesses and/or applications will be awarded funding. There will be no penalty for local authorities because of their use of discretion to prioritise some business types.

4. Who Will Benefit from the Grants?

- 4.1 The grant will be available to any business that falls within the Melton Borough area.
- 4.2 Whilst all businesses can apply, due to the suspected over demand, these grants will be primarily and predominantly aimed at:
 - a. Businesses who can demonstrate they meet or are able to contribute to the required deliverables as outlined in the evaluation section of this document.
 - b. Businesses that can demonstrate deliverability of the proposals within a 12-month period.

- c. Businesses that can, to the satisfaction of the Council, demonstrate growth as a result of the investment.
- d. Businesses which can provide match funding (whilst match funding is not a prerequisite of grant approval, the more private sector contribution and value for money demonstrated gives additional weight to the application during the scoring process). Examples of match funding include evidence of funds available in bank account(s) or submission of invoices on elements of the project already spent. Applicants must clearly evidence what elements of the project will be funded by match.
- 4.3 Further information on each specific grant scheme and what they will be looking to fund is provided in Annex A.
- 4.4 **Important.** All UKSPF and REPF grants are classed as Capital Grants¹ and are therefore to be used to help realise a project or improve business performance. The grant request must not be linked to revenue costs.
 - a. Examples of capital spend: Refer to the funds that companies allocate for purchasing, improving, and maintaining long-term assets. These assets typically have a useful life of a year or more and are intended to enhance business efficiency and productivity. Common examples of capital expenditures include purchasing and upgrading physical assets such as buildings, machinery, equipment, investments in new technology (to improve processes or stay competitive in industry).
 - b. **Examples of revenue spend**: Refers to short-term, day to day expenditures to support the running of the business. Common examples of revenue expenditure include wages, rent, utility bills, debt repayments, room hire, advertising costs. These costs are not permitted to be included in the grant application.

These are common examples of capital and revenue expenditure; however, these are subject to change in line with Government guidance.

5. Who Cannot Benefit from the Discretionary Scheme?

- 5.1 The Council has prescribed that businesses who fall into the following categories will not be considered eligible for this scheme:
 - a. Businesses that are no longer trading as of the date of application submission (unless a pre-startup business).
 - b. Companies in administration, are insolvent or where a striking-off notice has been made.
 - c. Businesses that are not registered within the borough (unless a pre-startup business) but must be registered at the point of issuing grant, if successful.
 - d. Applications where the grant will go towards an item or project that will predominately operate or benefit areas outside of Melton Borough.

¹ A **sum of money** given by a government to an organisation to buy buildings, land, equipment (not vehicles), etc or to make improvements to them. Examples of capital grant spending can be found on the Government website.

- e. Applications that are not directly signed off by an appropriate decision maker within the relevant business.
- f. Projects that have been completed and retrospective funding is requested.
- g. Projects that received a grant in Round 1, i.e. you cannot apply for a grant in Round 2 for the same project you received funding for in Round 1.
- 5.2 Businesses who will exceed <u>Subsidy Control</u> limits because of any previous grants received will also not be considered for funding. It is the businesses' obligation to self-certify whether this will be the case or not. Should a business falsely certify or inadvertently exceeds the subsidy control limits the Council will claw back funding and escalate this issue to the relevant Government departments.

6. Application Process and Timescale

- 6.1 With the experience of receiving applications worth three times the amount of funding available in Round 1, Round 2 will likely be the only grant window proposed for 2024/2025. The Council reserves the right to add further rounds if more funds become available. Round 2 will last approximately 4 months with the application window open for 4 weeks. A visual guide to the Process and Timeline can be found at Annex B to this Guidance Note.
- 6.2 The Council invites applications via its <u>website</u>. Any applicant who is unable to apply via the website should contact <u>businessgrant@melton.gov.uk</u>.
- 6.3 As per the above, the application window will be open for 4 weeks. Potential applicants should assume that this window will not be extended. It is expected that the Council will undertake one assessment of all applications received to that date once the deadline has passed during the evaluation and clarification phase.
- 6.4 All applicants must review Melton Borough Council's Grants (Business & Community) Privacy Notice Privacy Notices Melton Borough Council and confirm they agree with the terms by ticking the relevant declaration box in the Application Portal.
- 6.5 As stated previously, applicants will be asked to confirm that by accepting payments they are compliant with Subsidy Control rules, that to the best of their knowledge they are eligible for the scheme and acknowledge that the Council reserves the right to recover any funding made in error or as the result of misleading/mistaken information being submitted. The application form will require applicants to confirm acceptance of various compliance statements through tick boxes.
- 6.6 For successful applications, the Council will undertake post project monitoring and evaluation to ensure the expected deliverables (what the grant was for), have been secured. By signing the Grant Agreement and receiving the grant, the applicant confirms they are willing to engage in this process and provide any information required by the council, stated in the agreement. Failure to do so may lead to the Council clawing back funding.

- 6.7 There will be no automatic right of appeal against a decision not to award a grant, or against the value of any grant. All successful applicants from Round 1 will be eligible to apply for further funding (but not for the same project), subject to the total amount of funding for both applications does not exceed the maximum capped amount of £15,000.
- 6.8 Unsuccessful Round 1 applicants, and new applicants can apply for a Round 2 grant with a maximum capped amount of £10,000, minimum amount of £2,000.
- 6.9 Please note the information submitted within the application form will not be saved unless the full page has been completed. The maximum character limit for each question is 1000. If the applicant wishes to submit additional evidence in support of their application, this can be actioned by uploading a separate word document in the uploads section of the application portal. A list of example questions can be viewed in Annex C.

7. How Will the Value of Grants be Calculated?

- 7.1 As the funding available to the Council is fixed and the demand is unknown, the value of grants cannot be determined until the application window has closed and all applications have been assessed.
- 7.2 The emphasis of these funds will be on making meaningful payments to those businesses that can demonstrate impactful growth. Grants will be assessed and determined on a case-by-case basis, following careful consideration of the information provided. Therefore, an application for these grants does not guarantee the full amount requested, or that any grant amount will be received.
- 7.3 This Guidance Note is intended to provide guiding principles against which applications will be processed to inform applicants during the submission stage. Details may be subject to change during the course of the scheme following reviews to ensure the grant schemes continue to have maximum impact. A Local Advisory Board (LAB) has been formed with local business and community experience to ensure UKSPF is delivered appropriately and with local needs in mind.
- 7.4 For those businesses that are VAT registered, the grant amount request **must not** include the VAT amount added to the quotes. If applicable, businesses will be requested to provide their VAT registration number within the application.

8. Managing the Risk of Fraud

- 8.1 The Council and the Government will not accept deliberate manipulation and fraud. Any business or person caught falsifying their records or the information submitted to gain a grant award will face prosecution and any funding issued will be subject to clawback, as may any grants paid in error.
- 8.2 The Council reserves the right to use any details submitted by businesses to check against national records and databases to highlight potentially fraudulent activity.

9.	Guidance Note Review	
9.1 This Guidance Note has been written in line with Government guidance. It subject to dynamic review as circumstances dictate and in line with clarifications and changes that may be announced by the Government or for internal recommendations made by the Council.		

Annex A to Business Grant Guidance Note – Business Grant Priorities*

Priority Areas (UKSPF Intervention)	Min Grant Amount	Max Grant Amount	Eligibility	Outcomes as a result of the grant (examples below) – these will be monitored, and evidenced at end of grant period)
Pre-Startup	£2,000	£10,000	 Proposed business must be based in Melton Borough. Pre-startups must submit a full Business Plan. Must have a business bank account at the point of award, if successful. Note: On application form, insert date from your Business Plan when asked for date business established. 	 Number of jobs created (Full-time or FTE equivalent must be stated in application) Quality of Business Plan Deliverability of project within 12 months
Business Startups (already trading)	£2,000	£10,000	 Any business in Melton Borough area. Startups must have been in business no more than 24 months at point of application submission. Must have a business bank account. 	 Number of jobs created (Full-time or FTE equivalent must be stated in application) Number of jobs safeguarded (Full-time or FTE equivalent must be stated in application) Projected increase in sales (%) Projected increase in profit (%) Deliverability of project within 12 months
Supporting Business Growth	£2,000	£10,000	 Any business in Melton Borough area. Businesses that can demonstrate high growth potential. Must have been in business for more than 24 months. Must have a business bank account. 	 Number of jobs created (Full-time or FTE equivalent must be stated in application) Number of jobs safeguarded (Full-time or FTE equivalent must be stated in application) Projected increase in sales (%) Projected increase in profit (%) Deliverability of project within 12 months

^{*}Information is correct at date of the document being published, grant details are under dynamic review and may be subject to change.

Match Funding Requirement

Match funding is not a prerequisite of funding for an application to be successful, however businesses are encouraged to contribute as much private sector match as possible to increase their overall application score. Applications will be assessed on a case-by-case basis to determine suitability for the grant scheme but also value for money achieved in terms of growth created by the award of the grant, match contributed and other factors.

Business Basics – Examples of Required Information (For all grant applications)

- Applicant details (if a sole trader).
- Business name.
- Business address.
- Business bank account number and sort code (unless pre-startup but must have business bank account before grant is paid if application is successful).
- Full bank statements covering the 3 months prior to grant application date see example in Annex D.
- Business establishment date (or date of Business Plan if Pre-Startup).
- VAT reference (if applicable).
- PAYE reference number (if applicable).
- Companies House number.
- SIC code (if applicable).
- Number of employees (include all those being paid a wage).
- For Startup and Business Growth applicants, you must submit sales and profit figures for 23/24.
- Project outcomes (in numbers or percentages) are the changes that occur as a result of your project (jobs created, jobs safeguarded, increased efficiency, improved quality, increased sales, increased profit etc) for the 12 months from receiving grant funding. For Pre-Startup applications, this could include projected figures in your Business Plan.
- Project outputs (in numbers or percentages) are the tangible or immediate results of a project (manufacture of new products or creation of new services).
- Evidence of grant match (provide bank statement(s)) showing availability of funding or if money has already been spent on the project, then submit relevant invoices) see example in Annex D.

- 3 x quotes required for each item to be purchased/procured as part of the grant request (must be on valid letterheaded paper, to include supplier details see example in Annex E.
- Project overview On the application form, and in no more than 1000 characters, describe what the project aims to deliver example: Install an accessible ramp to front of shop.
- Project deliverables Through the questions on the application form, describe what the grant funding will deliver and how it will positively impact the business and local economy, providing specific outputs and outcomes (see above for details).
- Business Case for the project proposal (if grant request is £7,500 or over) to include: What the project aims to achieve, the
 benefits to the company, options considered, timescales, costs and expected return on investment, anticipated risks and their
 mitigation. Businesses can request free of charge assistance to produce a Business Case by contacting the Leicestershire
 Business Advice Service: lbas.online.
- Business Plan (additional requirement if a **Pre-Startup business only**, demonstrating the first 2 years of business activity).

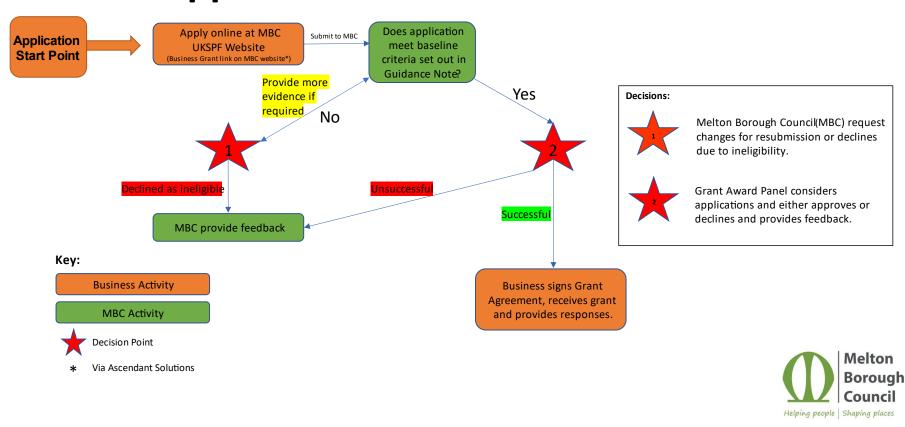
 Businesses can request free of charge assistance to produce a Business Plan by contacting the Leicestershire Business Advice Service: lbas.online.
- Evidence of approvals being secured (if required) All projects which require approvals of any nature (planning permission
 (including conservation approvals), licensing & landlord consent) must be obtained and evidenced prior to the Grant Agreement
 being signed and sealed. Approvals demonstrate assurance of the likelihood of the project being delivered. It is recommended that
 this evidence is submitted alongside the grant application to enable the team to assess it efficiently and reduce delays to the
 process. For more information relating to approvals visit: www.melton.gov.uk/planning-and-building and
 www.melton.gov.uk/licensing.

Successful Applications:

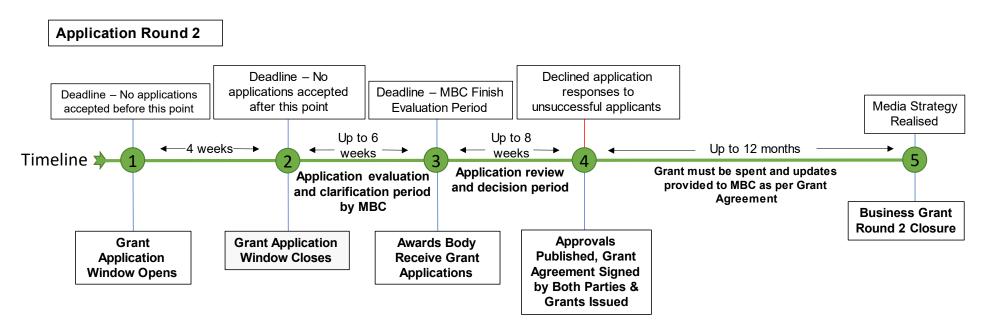
- 1. All successful applicants must have signed a Grant Agreement in order to receive grant funding. The Grant Agreement will identify the outputs required for that project.
- 2. As per the Grant Agreement, all project owners will have a responsibility to provide any related information as and when requested up to 36 months after the payment of the grant. This will enable effective monitoring of grant allocations and capture the effects of the grant to the business.

Annex B to Business Grant Guidance Note – Application Process Flowchart FLOWCHART 1

UKSPF Business Grant Application Process Flowchart



UKSPF Business Grant Application Process Timeline



NOTES:

- 1. Once grant pot has been exhausted, rounds will cease.
- 2. Grant Agreements will be tailored to applicant's project and MBC requirements.



Annex B Accessibility Description

Flowchart 1 – UKSPF Business Grant Application Process.

- Application starts by applying online on the MBC website.
- Once submitted to MBC, we establish does the application meet the criteria?
- If application does not meet criteria:
 - Business to provide more evidence, if requested.
 - MBC request changes for resubmission or decline application as ineligible.
 - MBC provide feedback.
- If application meets criteria:
 - MBC considers applications and either approves or declines and provides feedback.
 - Business signs Grant Agreement, receives grant and provides responses as agreed.

Flowchart 2 – UKSPF Business Grant Application Timeline.

- There will be a number of application rounds, this timeline description is for a single round.
- Point 1 Grant application round opens. Applications before this point will not be processed. Window lasts 4 weeks.
- Point 2 Grant application round closes. During this period, MBC evaluates and clarifies applications. Applications received after this point will be rejected. Window lasts up to 6 weeks.
- Point 3 Evaluation period ends and MBC review eligible applications. Window lasts up to 8 weeks.
- Point 4 Review period ends, and successful applications are processed, grant agreements signed and grants awarded.
 Unsuccessful applications declined and feedback offered.
- Point 5 Grant recipients must provide feedback to MBC according to their grant agreement. This window lasts 12 months.

Notes:

- 1. Once grant pot has been exhausted, rounds will cease.
- 2. Grant Agreements will be tailored to applicant's project and MBC requirements.

Annex C to Business Grant Guidance Note – Sample Application Questions*

Pre-Start & Startup Businesses

- 1. Please describe the project overview, what the project aims to deliver and why grant funding is required to enable your project to proceed?
- 2. Are you applying as a pre-start or startup business?
- 3. Please enter the total cost of the project (£).
- 4. Please enter your grant amount request (£).
- 5. Is your grant request over £7,500? Please note that for all project requests over £7,500 a Business Case will have to be submitted in support of the application.
- 6. Please state the amount of match-funding (intervention rate) you will provide in support of the project.
- 7. Do you have a business bank account (separate to your personal account)?
- 8. Is the business VAT registered? If yes, please provide VAT reference.
- 9. Please provide details of your sales and profit figures for 2023/24 (Startup businesses only).
- 10. Please provide details of your proposed increase in sales and profit figures (percentage increase) for the 12 months after the project is completed?
- 11. Please state the proposed total of outputs that will be delivered once the project is completed.
- 12. Please state the proposed total of outcomes that will be delivered once the project is completed.
- 13. Please explain what will happen to the project and the delivery of the direct outcomes and outputs if grant funding was not offered.
- 14. How long do you envisage the project taking to complete (0-3 months, 3-8 months, 8-12 months or more than 12 months)?
- 15. Please explain how you will ensure that the project is successfully delivered.
- 16. Does your project require approvals in order to proceed? If yes, you are required to upload evidence of valid approvals.
- 17. Please provide details as to other sources of finance you have sought and considered to complete this project, what were the outcomes of these options and why weren't they suitable?
- 18. How many items do you wish to purchase with grant funding?
- 19. Is the grant amount being requested the minimum that is required for the project to be viable?
- 20.I would like to receive updates from Melton Borough Council via their Business Bulletin in relation to events, funding, and business support opportunities.
- 21. Would you like to be contacted by Melton Borough Council in relation to their UK Shared Prosperity Fund Leicestershire Business Advice Service?

Supporting Business Growth

- 1. Please describe the project overview, what the project aims to deliver and why grant funding is required to enable your project to proceed?
- 2. Please enter the total cost of the project (£).
- 3. Please enter your grant amount request (£).
- 4. Is your grant request over £7,500? Please note that for all project requests over £7,500 a Business Case will have to be submitted in support of the application.
- 5. Please state the amount of match-funding (intervention rate) you will provide in support of the project.
- 6. Do you have a business bank account (separate to your personal account)?
- 7. Is the business VAT registered? If yes, please provide VAT reference.
- 8. Please provide details of your sales and profit figures for 2023/24.
- 9. Please provide details of your proposed increase in sales and profit figures (percentage increase) for the 12 months after the project is completed?
- 10. Please state the proposed total of outputs that will be delivered once the project is completed.
- 11. Please state the proposed total of outcomes that will be delivered once the project is completed.
- 12. Please explain what will happen to the project and the delivery of the direct outcomes and outputs if grant funding was not offered.
- 13. How long do you envisage the project taking to complete (0-3 months, 3-8 months, 8-12 months or more than 12 months)?
- 14. Please explain how you will ensure that the project is successfully delivered.
- 15. Does your project require approvals in order to proceed? If yes, you are required to upload evidence of valid approvals.
- 16. Please provide details as to other sources of finance you have sought and considered to complete this project, what were the outcomes of these options and why weren't they suitable?
- 17. How many items do you wish to purchase with grant funding?
- 18. Is the grant amount being requested the minimum that is required for the project to be viable?
- 19.I would like to receive updates from Melton Borough Council via their Business Bulletin in relation to events, funding, and business support opportunities.
- 20. Would you like to be contacted by Melton Borough Council in relation to their UK Shared Prosperity Fund Leicestershire Business Advice Service?

*Please note these are sample questions, and the application form may request additional information and evidence in support of your application.

Annex D to Business Grant Guidance Note - Bank Statement

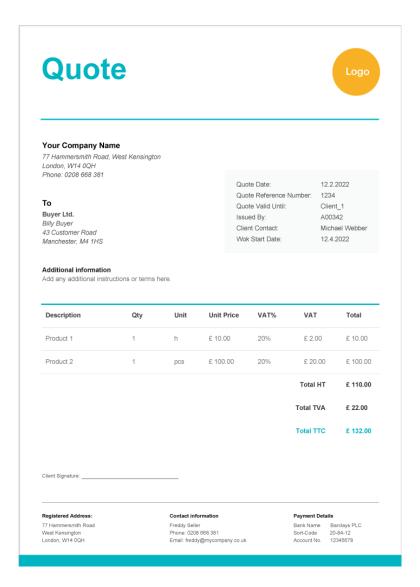
Valid Bank Statement Example



- Business Bank Account (Pre-Startup businesses must have a business bank account at the point of award).
- Clearly visible account holder and account/sort code details.
- Clearly visible business details.
- No censored information unless client/confidential information.
- Statements provided for April, May & June 2024.
- Full documents are required to be uploaded.
- Bank statement evidencing that match-funding amount is available must also be uploaded if match-funding is being provided.

Annex E to Business Grant Guidance Note - Quote

Valid Quote Example



- Each item to be purchased using grant funding must have 3 valid quotes to demonstrate Value for Money. If purchasing more than one item from one supplier, the quote must be itemised to show breakdown of costs.
- There are some exemptions to this, but justification is required, such as there
 is only one supplier (i.e. manufacturer of specialist equipment) or only one
 supplier can do the work in the timeframe required.
- Ensure the quote includes a 'valid to date' preferably 6 months to allow for the application to be processed.
- Applicants can use the most expensive supplier, but we will only fund to the cheapest quote and the gap in funds will have to be met by the business.
- Ensure quotes and grant amount request match to the penny if they don't it will cause delays in processing the application!