

## **Back to Business Fund - Guidelines for Applicants**

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### **A. OVERVIEW**

The purpose of the Back to Business Grant Fund (BBF) is to provide grants to help businesses address specific, immediate priorities in direct response to the COVID-19 pandemic, thereby enabling them to adapt or modify their premises or operating model in order to address new challenges in their trading environment.

The BBF focusses on providing grant funding as a contribution towards specific projects or investments being undertaken by applicants in direct response to Covid-19 and is not geared towards addressing working capital requirements or day-to-day cashflow issues. BBF grants will provide 100% of eligible project costs (excluding VAT), up to a maximum grant award of £2,500 with one application per business.

### **B. OBJECTIVES**

The key aims of the BBF are closely aligned with the Council's "Plan for North Lanarkshire", and Ambition Statement 5: Grow and improve the sustainability and diversity of North Lanarkshire's economy. Specifically, the BBF seeks to:

- i. Support business growth – by helping the business implement projects which increase turnover and increase or safeguard employment, through improvements in productivity, competitiveness or innovation. For example, we encourage applications which will:
  - introduce new and/or improved products, processes, or services
  - assist growth into new domestic and/or international markets
  - support the adoption and integration of digital technologies and ecommerce

- The funding should lead to a sustainable improvement in the business and should achieve additionality by way of completion of the project on a larger scale, more quickly or to a higher standard.
- ii. Support adaptation or modification of the business premises or operating model - in order to address new challenges in your trading environment which have arisen as a direct consequence of the Covid-19 pandemic.

### **C. ELIGIBILITY OF BUSINESS**

- i. **Business type & location:** The applicant business must be an existing business based in North Lanarkshire and operating within a recognised legal structure (see [www.gov.uk/business-legal-structures/overview](http://www.gov.uk/business-legal-structures/overview)). Private individuals cannot apply for grant support. Ventures at the pre-start/pre-trading/feasibility stage are ineligible.
- ii. **Business trading:** The applicant business has been trading as at 17 March 2020 and can evidence you were actively trading as at 7 June 2021
- iii. **Loss of income:** The applicant business can clearly evidence a significant loss of income as a result of COVID-19 restrictions and demonstrate why external financial assistance from North Lanarkshire Council is essential.
- iv. **Place of business:** If the applicant business only has a 'registered office address' or a 'virtual office address' within North Lanarkshire, but conducts its actual business or trade from an operational base out with North Lanarkshire, then the business is not eligible to apply for a grant from North Lanarkshire Council. The company's invoicing and business correspondence address must be within North Lanarkshire. The business must also be able to demonstrate that it pays non-domestic rates (if applicable) to NLC.
- v. **Business size:** The applicant business must be a micro, small or medium enterprises (up to 250 employees).
- vi. **Business structure:** If the applicant is part of a larger group of businesses or franchise with a headquarters out with North Lanarkshire, or has direct/indirect links to other businesses, it can only apply if it is a wholly autonomous cost/profit centre responsible for its own day-to-day management and producing its own management accounts and audited accounts. Applicants which fall into this category may be asked to produce evidence of their autonomy from the parent company/group.

- vii. **Need for grant:** Applicants must be able to demonstrate a specific project or investment being undertaken in direct response to Covid-19 enabling them to adapt or modify their premises or operating model in order to address new challenges in their trading environment. Other funding routes can be investigated at [www.mygov.scot/funding-opportunities](http://www.mygov.scot/funding-opportunities).
- viii. **Business premises:** Applicant must own the business premises or a commercial lease at the date of the application. Home-based businesses must be trading (not incorporated) for more than 12 months and will only be considered for support in exceptional cases.

#### **D. SUPPORTED PROJECT TYPES**

The Back to Business Grant is to provide financial support to help businesses undertake specific items of expenditure which will allow them to address the impact of the COVID-19 pandemic on the business, enabling them to operate a safe workplace for their staff and customers and adjust their business model in order to take advantage of new opportunities in the trading environment.

Applicants can apply for grant funding in support of the following project types:

- Implement diversification of my products and/or services in direct response to COVID-19
- Develop an ecommerce platform to enable online sales or improve/expand the business's existing ecommerce capability
- Undertake COVID-related adaptation of my business premises (e.g. to accommodate social distancing, or put in place a safe, compliant environment for staff and customers)
- Adapt our business model to deliver a new or amended service/product offering
- Other purpose (businesses must be able to demonstrate that the proposed project seeking funding is in direct response to the impact of Covid on the business)

Please note that:

- BBF funding cannot be used to provide working capital.
- All projects that have been awarded grant support must be completed within 6 months of the award date stipulated in the grant award letter received by the applicant

company. Grant awards may be cancelled or withdrawn if supported projects are not completed within 6 months.

- In order to be considered for grant support no work must start on the project in question and no expenditure should be incurred until after the applicant company has received a formal decision from the council regarding their grant application. Projects which commence before a grant decision is made indicate that grant support is not essential to the project proceeding. Such applications may be cancelled and/or grant awards withdrawn.

## **E. APPLICATION, ASSESSMENT AND CLAIM PROCEDURE**

### **1) Application documents**

Applicants must submit the following documentation in order to apply for a BBF grant:

- i. **Completed Back to business Fund application form**
- ii. **Completed Bank Mandate form.** The Bank Mandate form is Appendix 1 of the BBF application form
- iii. **Evidence of a project plan.** In your own words, provide a summary of the project and detail how the Back to Business funding will help your businesses address specific, immediate priorities in direct response to the COVID-19 pandemic, thereby enabling the business to adapt or modify their premises or operating model in order to address new challenges in their trading environment.
- iv. **Evidence of projected project costs.** This should include formal supplier quote(s) for all eligible items/works seeking grant support.
- v. **Evidence of Incorporation** - any one of the following:
  - Company (inc. SCIO): Certificate of Incorporation or Companies House registration number.
  - Partnership: Partnership agreement or HMRC registration.
  - Sole Trader Self Employed and Freelancers: HMRC registration, Self-assessment documents or valid business insurance document.
  - Community Interest Company: Certificate of Incorporation
  - Trust: Constitution documents, HMRC registration or VAT registration document.
- vi. **Evidence of Business bank statements** dated within three months of the application clearly showing the name, address, sort code and account number. If you do not have a business bank account, we will **only** accept personal bank accounts where they clearly show business transactions.

- vii. **Evidence of lost income.** This could be in the form of a recent profit and loss account, management accounts, cash flow statements, invoices and receipts, details of contracts lost, cancelled booking diaries/work schedules, cancelled sales/orders, cancelled customer bookings due to COVID-19 restrictions.
- viii. **Evidence of ownership/commercial lease.** This could be a copy of i) premises lease summary or ii) e-mail from landlord confirming duration of tenancy agreement, or iii) proof of ownership.

## **2) Grant application process**

**Preparing and submitting your application.** Grant application forms are available to download from the Business Support section of the North Lanarkshire Council website.

Applicants may benefit from the comprehensive range of business support available from the local Business Gateway service, which is managed by North Lanarkshire Council. Business Gateway Lanarkshire advisers offer a range of advice and expertise on a wide range of topics including business growth and development. Advisers can also help you prepare and submit your BBF grant application. If you wish to discuss your growth plans with Business Gateway Lanarkshire contact them directly on 01698 756956 to arrange a one-to-one meeting.

## **3) How much grant can I apply for?**

BBF grants will provide 100% of eligible project costs (excluding VAT), up to a maximum grant award of £2,500 with one application per business.

## **4) Assessment and appraisal**

Completed grant applications must be received, and a decision received by the applicant business from the Council, before any purchases are made, project works begin, or any other activity or expenditure relating to the project commences.

Any goods or services purchased, or activity undertaken before a grant decision is made will subsequently be ineligible for grant payment and may result in the entire grant award being cancelled.

## **5) Decision and Grant Payment**

The applicant will be notified of the decision on their grant application once the application has been processed. All applicants (successful and unsuccessful) will be notified of the Council's

decision by e-mail in the first instance. Successful applicants will subsequently receive an award letter (sent to the business address specified in their grant application), including a Grant Acceptance Form which must be signed, dated and returned to the Council within 21 days of the grant award date provided. Once a Grant Acceptance Form is completed and returned, payment is usually made by BACS transfer direct to the applicant's bank account within 15 working days.

## **6) Post Award follow up**

Funded projects must be completed, and all suppliers paid within 6 months of the grant award date. Applicants must submit a Project Completion Form after the project has been successfully completed as per the original application and all suppliers have been paid in full

The completed Project Completion Form must be accompanied by evidence of spend including receipts from all suppliers and a copy of the company's bank statement, showing payments in respect of these supplier invoices leaving the company's bank account

Note that the bank statement must be a formal monthly or quarterly statement showing the business/account-holder name, sort code and account number (as well as highlighting all payments made in respect of relevant supplier invoices included as part of the claim).

If the actual project spend is materially different to the evidence of project costs provided as part of this application, North Lanarkshire Council shall be entitled to terminate the offer and to demand immediate repayment of the financial assistance.

## **7) Key points when submitting project costings**

**VAT:** note that VAT is ineligible for grant and must be excluded from claims.

**Wage/Salary costs:** costs associated with the wage/salary of the applicant businesses staff are ineligible for the grant and must be excluded from the claim.

**Paying suppliers by cheque:** where payment for goods or services has been made by cheque, you must enclose either i) a copy of the cheque or ii) a receipt, e-mail or letter on headed paper from the supplier (stating the invoice number) confirming that they have received payment in full. In the case of e-mail confirmation, it must be clear from the e-mail address that the confirmation has originated from the supplier.

**Paying suppliers by cash:** note that items or services paid for by cash unfortunately do not meet our audit trail requirements. As such they are not eligible for grant and must be excluded from the Project Completion form.

**Paying suppliers by credit card:** payments made to suppliers by credit card will only be eligible for grant if the card is registered to the business and not a private individual. Any items paid for using a personal credit card must be excluded from your Project Completion form.

**Multiple payments made to suppliers in a single transaction:** where a number of supplier invoices have been paid in a single transaction, a BACS list, copies of invoices or a similar breakdown of payments must be provided to confirm that the invoice(s) included in the Project Completion Form have been paid. Note that hand-written invoices or receipts suggesting payment has been received are not sufficient proof of payment and must be accompanied by bank statement evidence.

**Changes to project costs:** if your project costs end up being lower than anticipated in your grant application, some of the grant payment you receive may have to be repaid. However, the grant payment cannot be increased beyond your original grant award in the event that your project costs end up being higher than you originally expected.

**Payment:** Once a grant claim is approved and the Grant Acceptance Form has been completed and returned, payment is usually made by BACS transfer direct to the applicant's bank account within 15 working days of claim approval.

## **F. OTHER CONSIDERATIONS**

**Subsidy control** – This grant fall under the UK Government's obligations relating to subsidy control as set out in the EU-UK Trade and Cooperation Agreement, which can limit the amount of such aid per recipient.

The European Commission Temporary Framework enables Members States to grant aid to undertakings facing difficulty as a result of the COVID-19 outbreak. The Temporary Framework covers support granted to businesses which were not already in financial difficulty on 31 December 2019, and aid support granted to businesses no later than 31 December 2021.

The UK-EU Trade and Cooperation Agreement set out principles enables a business to receive public funding of up to 325,000 Special Drawing Rights over a three-year period (note different rules apply to agriculture and fisheries). Special Drawing Rights are an IMF unit and 325,000 SDR is currently approximately £332,000.

Further information on State Aid is available at:

- <https://www.gov.scot/publications/coronavirus-covid-19-state-aid-public-authorities/>
- <https://www.gov.scot/publications/state-aid-guidance/>
- <https://www.gov.uk/government/publications/complying-with-the-uks-international-obligations-on-subsidy-control-guidance-for-public-authorities/technical-guidance-on-the-uks-international-subsidy-control-commitments>

**Monitoring** – North Lanarkshire Council are required to report on key outputs and benefits arising from grants awarded under the Back to Business Fund. Successful applicants will be monitored both during the project and 12 months after completion to verify the impact of Council grant funding on business growth via a number of indicators, with a particular focus on turnover growth and the number of new jobs created and/or existing jobs safeguarded.

## **G. FURTHER INFORMATION**

For more information on the funding and other support available to North Lanarkshire businesses please contact either North Lanarkshire Council Enterprise Development Team on [BackToBusinessFund@northlan.gov.uk](mailto:BackToBusinessFund@northlan.gov.uk) or Business Gateway Lanarkshire on 01698 756956.

Please also visit the North Lanarkshire Council website:

[www.northlanarkshire.gov.uk/business](http://www.northlanarkshire.gov.uk/business)