

Small Business and Self-Employed Support Scheme **Guidelines for Applicants**

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This grant is part-funded by the UK Government through the UK Shared Prosperity Fund.

A. OVERVIEW

The purpose of the Small Business and Self-Employed Support Scheme (SBSESS) is to provide grants to help micro and small sized businesses fund costs associated with training, consultancy, exhibition support, capital expenditure and infrastructure improvements for a new project that creates or safeguards jobs and supports business growth.

The Scheme focusses on providing grant funding as a contribution towards specific projects or investments being undertaken by applicants and is not geared towards addressing working capital requirements or day-to-day cashflow issues. Grants will provide 100% of eligible project costs (excluding VAT), **up to a maximum grant award of £3,000 for businesses with at least one full-time employee (and no more than 49 employees). Self-employed individuals with no employees can apply for a grant of up to £1,000.**

B. OBJECTIVES

The key aims of this scheme 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, it seeks to:

- i. Support growth of businesses – specifically by helping the business that have been trading for less than 12 months, and with less than 49 employees, to 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
- support investment in products, processes, or services which assist the business in its transition to a low carbon operating model
- 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.

C. ELIGIBILITY OF BUSINESS

- ii. **Business stage:** The applicant business must have been actively trading (not registered) **for more than 3 months but less than 12 months** (evidence may be requested to substantiate this).

Applicants do not need to be working full-time/exclusively in the business in order to be eligible to apply. However evidence is required which clearly demonstrates that the owner/director intends to commit to working full time in the applicant business within 6 months of the grant award date.

- iii. **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). Private individuals cannot apply for grant support. Ventures at the pre-start/pre-trading/feasibility stage are ineligible, as are businesses that have been actively trading for more than 12 months.
- 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 outwith North Lanarkshire, then typically 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 either i) self-employed (no employees), or ii) a micro/small enterprise (up to 49 employees). For applicants applying for a grant in excess of £1,000, evidence of employees must be provided with the application. For example, this could be a copy of i) job specification, ii) live job advert, iii) management structure chart, iv) confirmation of engagement with an employment agency, or v) certificate of incorporation or partnership agreement.

- vi. **Business structure:** If the applicant is part of a larger group of businesses or franchise with a headquarters outwith 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. By exception, the council may be able to consider applications from businesses headquartered outwith North Lanarkshire which support the establishment of satellite branches, franchises or subsidiary outlets located within North Lanarkshire which are not autonomous, but only where the anticipated economic benefits (eg. job creation, turnover growth) are projected to be significant.

- vii. **Need for grant:** Applicants must be able to demonstrate a funding gap that is preventing, delaying or limiting business growth. We would also actively encourage other sources of funding to be explored first - Council funding should be regarded as a 'last resort' once all other funding options have been exhausted. Other funding routes can be investigated at www.mygov.scot/funding-opportunities.

- i. **Business premises:** Applicant businesses can be home-based or operating from dedicated commercial premises. In the case of rented commercial premises a minimum 12 month lease is preferred, although month to month or rolling leases will be considered by exception based on merit. A copy of the lease agreement will be requested in support of the grant application. Home-based businesses are generally ineligible for Capital Expenditure or Infrastructure Improvement grants except where a dedicated manufacturing unit exists on-site which is separate from the residence. Home-based businesses must be trading (not incorporated) for more than 3 months but less than 12 months, and will only be considered for support in exceptional cases.

D. SUPPORTED PROJECT TYPES

The Small Business and Self-Employed Support Scheme is designed to provide financial support to help businesses undertake specific items of expenditure which will help the business to grow, particularly to increase turnover and create or safeguard jobs within 12 months of project completion.

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

- **Capital expenditure** - the outright purchase of equipment, plant or machinery
- **Infrastructure improvement** - expansion, conversion, sub-division or other improvement to the physical infrastructure of business premises.
- **Consultancy support** - commissioning of external consultancy services to support the development of a growth project
- **Training support** - commissioning of an external training provider to provide training for business employees as part of a growth project
- **Exhibition support** - attendance at an industry exhibition or trade event within the UK or overseas (either as an Exhibitor or as a Visitor)

Please note that:

- Funding cannot be used to provide working capital.
- All projects that have been awarded grant support must be completed, and the grant claimed, **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:

- i. **Completed Small Business & Self-Employed Support Scheme application form**
- ii. **Evidence of a project plan** - provide a summary of the project and detail how the grant will help your businesses to grow.
- iii. **Evidence of projected project costs** - this should include formal quotes from a minimum of two suppliers for all eligible items/works seeking grant support.
- iv. **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.
- v. **Evidence of employees (only if applying for a grant > £1,000)** - this could be a copy of i) job spec ii) live job advert iii) management structure chart iv) confirmation of engagement with an employment agency v) certificate of incorporation or partnership agreement.
- vi. **Evidence of trading** - evidence must be provided which confirms that the business has been actively trading for more than 3 months but less than 12 months. This may include evidence of incorporation and evidence of business-related transactions (eg. on business bank statement, or copies of formal contracts/orders/invoices etc).
- vii. **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.
- viii. **Evidence of premises ownership/commercial lease** - this could be a copy of i) premises lease or tenancy agreement or ii) e-mail from landlord confirming duration of tenancy agreement, or iii) proof of ownership.
- ix. **Additional supporting documentation depending on project type** - applicants must submit the following additional supporting evidence depending on the type of project

seeking grant support. The Appendix documents referenced below are contained within the application form:

Consultancy Support	Appendix A Consultant’s Declaration (completed by consultant). <i>Note: the directors/owners of the applicant business must have no financial or business relationship (or other interest) with the supplier/consultant they propose to use for the project seeking support.</i>
Exhibition Support	Appendix B Exhibition Support (completed by applicant business)
Training Support	Appendix C Trainee Details (completed by each trainee) Appendix D Training Provider Declaration (completed by training provider)

2) Grant application process

Preparing and submitting your application.

Grant application forms are available from the Council on request, in electronic format (MS Word document). However, we recommend that before you complete an application you should discuss your project proposal in more detail with a North Lanarkshire Council officer (via BusinessFund@northlan.gov.uk) or a Business Gateway Lanarkshire adviser (via northlan@bgateway.com) before completing a full grant application. This will help ensure that your business, and the project seeking support, are eligible to apply in principle. Guidance and advice to help you complete your application can also be provided.

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 grant application. If you wish to discuss your growth plans with Business Gateway Lanarkshire contact them directly on 01698 756956 or via northlan@bgateway.com to arrange a one-to-one meeting.

3) How much grant can I apply for?

Small Business & Self-Employed Support Scheme grants will provide 100% of eligible project costs (excluding VAT).

For **businesses with more than one full-time employee (and less than 49 employees)**, the scheme will provide grant support up to **£3,000**.

For **self-employed individuals with no employees**, a maximum one-off grant will be made available up to **£1,000**.

Note that the maximum cumulative Small Business & Self-Employed Support Scheme grant that any individual business can receive within a rolling 12-month period is capped at £3,000 (micro/small businesses) or £1,000 (self-employed businesses).

4) Assessment and appraisal

Completed grant applications must be received by the BusinessFund@northlan.gov.uk mailbox, 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. The assessment process typically takes up to 4 weeks, but this can vary dependent on how promptly the required supporting information is submitted by the applicant, and the complexity of the project. 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.

6) Claim for Grant Payment

Applicants can submit a Claim for Grant Payment after:

- the project has been successfully completed as per the original application and
- all suppliers have been paid in full and
- the necessary evidence of payment is available (including formal bank statements)

A **Claim for Grant Payment Form** must then be completed and accompanied by:

- completed **Customer Satisfaction Survey**
- **evidence of spend** including:
 - copy invoices from all suppliers
 - copy of the company's bank statement, showing payments in respect of these supplier invoices leaving the company's bank account

Grant will not be paid out in relation to goods/services purchased which cannot be evidenced by supplier invoices matched to the business bank statement.

Key points when claiming your grant payment:

- **Deadline for grant claims:** all projects must be completed, and the Claim for Grant Payment submitted, within 6 months of the grant award date.
- **VAT:** note that VAT is ineligible for grant and must be excluded from claims.
- **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 Claim for Grant Payment.

- **Paying suppliers by credit card:** Payments made to suppliers by a business credit card are eligible if the credit card has been repaid using the business bank current account. Therefore, the credit card statements and the business bank statement showing this transaction will be required as evidence of project spend. Any item paid for using a personal credit is not eligible and will be excluded from your Claim for Grant Payment.
- **Business bank accounts:** applicants must have a business bank account, and all business-related transactions must be paid into/out of this account.
- **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 Claim for Grant Payment 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.
- **Bank statement requirements:** a complete bank statement must be provided which shows:
 - the business name
 - sort code
 - account number
 - invoice being debited from the bank account (supplier name must be visible and amount must match)
 - the statement balance the day before and after the payment is made, as this provides confirmation of defrayal

Note that *bank statement extracts or transaction slips* are not acceptable – a formal bank statement must be provided which not only shows the relevant payment(s) but also meets all of the above requirements. If the amounts on the invoice and bank statement do not match (for example due to inclusion of other (ineligible) invoices as part of the single payment), then we will also require a copy of the ineligible invoices that contribute towards the total amount paid.

- **Supplier invoices:** hand-written invoices or receipts suggesting payment has been received are not sufficient proof of payment. Formal invoices on the

supplier's headed paper must be provided accompanied by bank statement evidence.

- **Changes to project specification and/or costs:** if your project costs end up being lower than anticipated in your grant application, the grant payment you receive will be reduced pro-rata. 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. Note also that grant is awarded only for the specific project and associated expenditure detailed in your grant application. If you wish to make changes to any of the goods or services you propose to purchase with the assistance of grant, you must first seek approval from North Lanarkshire Council in advance of any change by contacting BusinessFund@northlan.gov.uk.

Once a grant claim is approved, 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 - the UK Shared Prosperity Fund "Small Business & Self-Employed Support Scheme" grant award being applied for by your enterprise is classified as a Minimal Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022).

To be eligible for the support, you must not have already exceeded receipt of £315,000 in MFA subsidies over this and the previous two financial years.

Subsidy Control replaces the former European Commission State Aid Rules. Minimal Financial Assistance (MFA) is a relatively new term which is similar to the former "De Minimis Aid" rules which were in place under European Commission State Aid Rules and "Special Drawing Rights" (SDR).

A Small Business & Self-Employed Support Scheme grant award is a Minimum Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022). The maximum amount of MFA offered in completing this application will be £3,000. Before making any payment, written confirmation that receipt of the payment will not exceed your company's MFA threshold of £315,000 cumulated over this and the previous two financial years, as specified in section 36(1) of the Subsidy Control Act (2022), is required. This means you must confirm you have

not received more than £315,000 minus the value of this grant in MFA subsidies or comparable types of subsidy (see section 42(8) of the Subsidy Control Act (2022)) in the current or previous 2 financial years. (Please note that comparable types of subsidy include De Minimis Aid.)

We take this opportunity to remind you that you are required to keep a written record of the amount of MFA you have received and the date/s when it was received. The written record must be kept for at least three years beginning with the date on which the MFA was given. If your application is successful at the point of claiming the grant, we will issue you with an email which you can use as your written confirmation. This will enable you to respond to future requests from public authorities on how much MFA you have received and whether you have reached the cumulative threshold.

Monitoring – North Lanarkshire Council are required to report on key outputs and benefits arising from grants awarded under the Small Business & Self-Employed Support Scheme. 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 BusinessFund@northlan.gov.uk or call Business Gateway Lanarkshire on 01698 756956.

Please also visit the North Lanarkshire Council website:

www.northlanarkshire.gov.uk/business