



# Business Start Up Fund

Guidelines for Applicants

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# Introduction

## What is the Business Start Up Fund?

The purpose of the Business Start Up Fund is to provide grant funding to help pre-start businesses with a robust and viable business idea to start trading earlier than would otherwise be possible, and to support early-stage businesses to grow by creating or safeguarding jobs and improving the viability of their business.

It seeks to provide assistance towards projects that will support business growth or create/safeguard jobs. A broad range of growth projects can be considered - examples include IT/digital investments, website design and development, infrastructure, stock, and equipment costs. However the BSUF cannot support working capital requirements. The BSUF has a two-tiered funding structure offering 100% grants of i) up to £1,000 and ii) up to £3,000, as follows :-

Maximum grant award	Who can apply?
Up to £1,000	Pre-Start and Start-Up home-based businesses with no employees.
Up to £3,000	Pre-Start and Start-Up businesses operating from commercial premises, <u>or</u> currently employing a minimum of 1 FTE (in addition to the business owners/ directors), <u>or</u> VAT registered.

## About this guide

This guide will help you successfully complete your Business Start Up Fund application. It is important that you meet the eligibility requirements and provide all the requested information whilst completing your application. This will help avoid delays in processing your application and reaching a decision.

## Making an application

To apply for the Business Start Up Fund you must be working with a Business Gateway Adviser. Additionally your business must either be at the **pre-start** stage (but planning to start actively trading within the next 3 months) **or** have been **actively trading for less than 12 months** before applying.

## How is funding paid?

The Business Start Up Fund is paid retrospectively. This means that following a successful award, the applicant will need to pay out money upfront and then reclaim the grant money afterward. Grant funding is available for up to 100% of net costs (excluding VAT and delivery costs).

## Objectives

### The Business Start Up Fund seeks to:

- i. **Increase the number of new start businesses** – by helping individuals with a robust and viable business plan to fund essential business purchases which allow them to commence trading and create employment.
  - ii. **Support business survivability and sustainability** – by helping the business to meet the cost of purchases and investments which would be difficult or impossible to implement without external funding.
  - iii. **Support growth of businesses** – by helping businesses implement projects which grow turnover or increase/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 markets.
  - Support the adoption and integration of digital technologies and ecommerce.
  - Support investment in products, processes, or services which enable the business reduce carbon emissions from its operations.
  - 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.

## Eligibility Criteria

### Business Gateway support

Prior to submitting an application, the applicant must engage with the Business Gateway Lanarkshire service to help ensure that your business, and the project seeking support, are eligible to apply in principle. Guidance on how to complete your application can also be provided. Applicants may benefit from the comprehensive range of **fully funded** support available from Business Gateway Lanarkshire. Business Advisers offer **1-2-1** advice and expertise on a wide range of topics relating to business start-up and growth. Find out more [here](#).

### Location

The applicant must either be based or have the intention to be based within North Lanarkshire:

- the invoicing and correspondence address must be within North Lanarkshire.
- the business must be able to demonstrate that it pays non-domestic rates (if applicable) to NLC.
- if the business only has a 'registered office address' or a 'virtual office address' within North Lanarkshire but conducts its actual trade from an operational base outside the area, then the business is ineligible to apply.

### Need for grant

Applicants must be able to demonstrate a funding gap that is preventing, delaying or limiting business viability, survivability

or 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.

### No prior commitment

Please note that funding is not available for projects that have already started or for orders placed/supplier payments made (including deposits) before the application decision. All supplier invoices must be dated after the award date. Ensure your project and purchases are planned accordingly to qualify for funding.

Projects which commence or which incur costs before a grant decision is made indicate that grant support is not essential to the project proceeding, and such applications may be cancelled and/or grant awards withdrawn.

### Trading status

The applicant business must either be pre-start or have been trading for no more than 12 months. If the business is not yet trading, you must be able to clearly demonstrate a robust and viable business idea which will commence trading within 3-months of the award payment. Applicants must be working exclusively in the business to be eligible to apply.

### Business size and structure

The applicant business must be either i) self-employed (no employees), or ii) a micro/small enterprise with up to 49 employees, and must be operating within a recognised legal structure. If the

applicant is/will be part of a larger group of businesses or franchise with a headquarters outside 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.

### Eligible sectors

Business operating in the Gambling and Betting and Drinking Places (Bar/Public houses) sectors are excluded from applying. The council retains the right to decline an application if supporting the business would damage the reputation of the Local Authority.

### 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/rolling leases will be considered by exception. A signed copy of the lease agreement must be provided. Home-based businesses are generally ineligible to apply for grant support towards the purchase of plant, machinery or equipment or premises conversion/alteration, except where a dedicated manufacturing unit exists on-site which is separate from the residence.

### Business employees

For businesses employing staff (i.e. in addition to the business owner), all employees must be receiving the Real Living Wage. If your business does not

pay the Real Living Wage please discuss with your Business Gateway Adviser. Note the Real Living Wage does not legally apply to self-employed people or company directors.

### Project costs

The BSUF provides up to 100% funding of eligible project costs (subject to the maximum award on page 3); however, applicants must pay all costs upfront and reclaim the grant only after goods or services have been received and paid for in full.

Note: all transactions relating to the grant must be paid out of a business bank account. Personal bank accounts and payments made by credit card or other form of credit/finance agreement, are ineligible.

### Project completion

Applicants must purchase and receive goods or services for which they have applied for.

## Supported Projects

The Business Start Up Fund provides financial support to help pre-start and start-up businesses invest in specific eligible costs that enable them to launch, develop, or grow their business.

Grant support is expected to result in increased turnover and job creation within 12 months of project completion. Applicants may seek funding across a broad range of eligible growth projects.

### Examples of eligible projects include:

- Buying equipment, plant or machinery you need to run your business, including IT or digital equipment.
- Website design and development.
- Improving commercial premises, such as expansion, fit-out, conversion or refurbishment works.
- Purchasing stock to help you start or grow your business.
- Training that enables the business to diversify its offer. Please note that any training required by law to operate the business is not eligible for grant support.
- Attending an industry exhibition or trade event for the first time, in the UK or overseas, either as an exhibitor or a visitor.

## Important Considerations

- The BSUF cannot fund:
  - Day-to-day running costs or working capital (e.g. rent, wages, utilities)
  - Research or development of a business idea prior to trading.
  - The purchase of a commercial vehicle.
  - Training that is a legal requirement to allow the business to start trading.
  - Items purchased through lease, hire purchase, or any other finance or credit agreement (including monthly repayment arrangements).
- A maximum of **ten individual items** can be included for grant support within a single application.
- Businesses can only apply once for a BSUF grant.

## Submitting an Application

**Before you apply you will need to:**

- i) Contact **Business Gateway Lanarkshire** to arrange a meeting with an adviser (01698 442837, [lanarkshire@bgateway.com](mailto:lanarkshire@bgateway.com)). See also <https://www.bgateway.com/local-offices/lanarkshire/local-support>.
- ii) After consulting with your Business Gateway Advisor, you will receive guidance on whether the Business Start Up Fund is suitable for your business/project. The advisor will also provide advice on the necessary supporting evidence required to accompany an application. If the Business Start Up Fund is appropriate, **applicants will be sent a link to the application form**. This form must then be fully completed and then submitted for appraisal, together with all the necessary supporting information (see below). Applications will only be appraised on receipt of all required supporting evidence.

## Supporting Information

Note the following checklist of information that you will be required to provide in support of your application – please make sure you have the necessary documents to hand before you start: -

For all applications:

- **Business plan** - this must provide a business description, key markets and competitors, personnel, how you plan to generate sales and any legal and regulatory requirements. If a formal business plan is not available, a 'mini-business plan'/project plan should be provided, consisting of a 1/2 page summary outlining what the business does and its plan for growth, and how the project seeking grant support will help achieve this.
- **12-month cashflow projection** - month by month going forward from the date of application.

- **Evidence of what the grant will fund** - two formal supplier quotes dated within 3 months of the application for all grant eligible items / works (a maximum of 10 items is permitted).
- **UTR:** sole traders are required to provide evidence of their HMRC Unique Taxpayer Reference (UTR). **Business bank statement/evidence of trading status** – the business name and address showing on the statement must match that provided in the grant application form. Subject to approval, grant related purchases should be made from the business bank account (transactions made from personal bank accounts are ineligible).
- **Incorporation / sole trader registration** – acceptable evidence includes:

Business Type	Evidence of Incorporation
<b>Company</b>	Certificate of Incorporation or Companies House Registration number
<b>Partnership</b>	Partnership Agreement or HMRC Registration
<b>Sole Trader, Self-Employed or Freelancer</b>	HMRC Registration, Self-Assessment Documents or Valid Business Insurance Document
<b>Community Interest Company</b>	Certificate of Incorporation
<b>Trust</b>	Constitution Documents, HMRC Registration or VAT Registration

**If you are a home-based business with no employees (i.e. applying for up to £1,000) you must also provide:**

- **Evidence of residency/ownership** - this could be a copy of a Council Tax statement, mortgage statement, electoral roll information, or proof of ownership.

Please note that where there is more than one business owner or director, compliance checks will be carried out on each individual.

**If you are a business operating from a commercial premises, or employing a minimum of 1 FTE in addition to the business owner, or are VAT registered (i.e. applying for up to £3,000) you must also provide:**

- **Evidence of employees** – HMRC PAYE / payroll evidence is required to verify that at least 1 additional Full Time Employee has already been recruited.
- or**
- **Evidence of VAT registration** - this should be a copy of your HMRC issued VAT registration certificate showing the VAT number and date of registration.
- or**
- **Evidence of ownership/commercial lease** - this could be a copy of a signed premise lease or proof of ownership (e.g. title deeds). The remaining lease term should be a minimum of 12 months (shorter leases will be considered by exception). In the case of home-based businesses, acceptable evidence will include a mortgage statement (dated within last 12 months), council tax bill from North Lanarkshire Council, or an email confirmation from the Electoral Roll. If an applicant submits an application before securing commercial premises in North Lanarkshire, any grant award will be conditional upon the Council receiving a signed copy of the evidence of ownership or lease before the applicant submits its claim for grant payment.

## Assessing your Application

To avoid any delays, please ensure you provide all the necessary documents and supporting evidence. You should allow sufficient lead-in time to draft and submit your application, as assessment may take several weeks to complete.

If we have any queries about your application, we will contact you directly by telephone or email. It is essential that you wait to receive a formal decision on your application before starting any work on the project, and before placing any orders/purchasing any goods or services relating to the project.

You will initially be informed of the outcome of your application by email, so please ensure the email address you provide is up to date. If your application is successful, you will receive an award letter by email. You must accept the grant by returning your completed Grant Acceptance Form to the council within 21 days. If your application is not successful we will also inform you by email.

## Project Execution

To be considered for grant support, no work must start on the project and no costs should be incurred until you have received a formal decision from the Council on your application. Projects that begin before a decision is made will be considered to have proceeded without the need for grant support and may result in the application being rejected or any grant award being withdrawn.

If your application is approved, you must deliver the project in line with the details set out in your grant application. Once you have received formal confirmation of approval by email, you are authorised to begin work and purchase the approved goods and services.

## Payment and Receipts

Applicants must pay for these goods or services and obtain supplier invoices.

- **Supplier Invoices:** Ensure you obtain formal invoices on headed paper from your suppliers and include your business name and address. Handwritten invoices or receipts are not acceptable.

## Methods of Paying Suppliers

### 1. By Cheque:

- If payment is made by cheque, you must provide either:
  - A copy of the cheque, or
  - A receipt, email, or letter on the supplier's headed paper (stating the invoice number) confirming full payment. For email confirmations, ensure the email address clearly indicates it originated from the supplier.

### 2. By Credit Card:

- Payments made using a **business credit card** are eligible if the credit card has been repaid using the business bank account. You must provide the credit card statements and the business bank statement showing this transaction as evidence of project expenditure.
- Payments made using a **personal credit card are not eligible** and will be excluded from your Claim for Grant Payment.

### 3. Business Bank Accounts:

- Please use a business bank account for all transactions. Payments made from personal bank accounts are not accepted

**Note: Cash payments are ineligible for grant reimbursement** as they do not meet our audit trail requirements. Such payments must be excluded from the Claim for Grant Payment.

## Other considerations

- If your project costs are lower than anticipated in your grant application, the grant payment you receive will be reduced proportionally.
- The grant payment cannot be increased beyond your original grant award if your project costs exceed your initial estimates.
- The grant is awarded solely 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 plan to purchase with the grant, you must first seek approval from North Lanarkshire Council.
- To support cash flow, grant payments can be processed in up to three instalments (maximum of three claims).

## Claim for Grant Payment

The grant must be claimed by date stated on grant award letter.

Applicants can submit a claim for grant payment after:

**Note: VAT and delivery costs are ineligible** for grant and must be excluded from claims.

1. The project has been successfully completed as per the grant award.
2. All suppliers have been paid in full.
3. The necessary evidence of payment is available (including formal bank statements).

A claim for grant payment form must then be completed and accompanied by:

- Evidence of spend, including:

- **Copies of formal invoices on headed paper from all suppliers.** Hand-written invoices or receipts suggesting payment has been received are not sufficient proof of payment.
- **Copies of the company's bank statements,** showing payments for these supplier invoices leaving the company's bank account.
- **Photographs** of the items supported by grant (note: business must be in receipt of the equipment purchased, works completed, exhibitions attended etc).
- **Copies of certificates** for any training completed or accreditations gained.

**Note:** Grant payments will not be made for goods/services purchased without matching supplier invoices and corresponding business bank statements.

### Bank Statement Requirements:

A complete business bank account statement must be provided, showing

1. The business name
2. The sort code
3. The account number
4. The invoice being debited from the bank account (supplier name must be visible and amount must match)

## Key points when claiming your grant payment

- **Deadline for grant claims:** all projects must be completed, and the Claim for Grant Payment submitted by deadline on grant award letter
- **Ineligible Costs:** Please note that insurance, warranties, administrative fees, VAT, and delivery costs are not eligible for grant funding and must be excluded from all claims.
- **Multiple payments made to suppliers in a single transaction:** when multiple supplier invoices are paid in a single transaction, you must provide a BACS list, copies of invoices, or a similar breakdown of payments to confirm that the invoices included in the Claim for Grant

Payment have been paid.

- **Payment of grant:** 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.

## Project Reporting

Successful applicants are required to report on key outputs and benefits resulting from grant funding. Monitoring will occur both during the project and 12 months after completion to verify the impact of Council grant funding on business establishment and growth. This will be assessed through various indicators, with a particular focus on turnover growth and the number of new job created and/or existing jobs safeguarded. Monitoring may be backed up by site visits to view the investment undertaken with council funds. Other Key Performance Indicators (KPI) will be detailed in the offer of grant letter.

## Subsidy Control

The Business Start Up Fund award being applied for by your enterprise is considered to be a subsidy under the Subsidy Control Act (2022), and if successful will be awarded under the North Lanarkshire Business Start Up Grants Subsidy Scheme **SC11503**.

## Appeals Process

The applicant can appeal an unsuccessful application by submitting a written request to appeal (citing the grounds for the appeal) within 14 days of the date of the rejection email refer to BGF. The appeal will then be reviewed by the Council and a decision relayed to the applicant within a further 14 days.

## Further Information

For more information on the funding and other support available to North Lanarkshire businesses please contact the Business Gateway Lanarkshire on 01698 442837 or [lanarkshire@bgateway.com](mailto:lanarkshire@bgateway.com).

Please also visit the North Lanarkshire Council website:

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