



Guidance for Companies Applying for Grants

Please read before completing the application form

Background – The aims of the grant and eligible activity

- This grant fund aims to support businesses of all shapes, sizes and sectors that are based in the South Holland District Council area.
- However, there are eligibility criteria that businesses must meet, and sadly, not all businesses will be eligible. For example, those that are insolvent or classified as 'undertaking in difficulty,' those that have already exceeded the limits on publicly funded support, or those based outside the district will not be permitted to submit an application.
- The money being made available is unlike previous COVID-19-related funds, as it is focused on business development and growth, as opposed to supporting running costs to keep businesses trading.
- We aim to be as flexible as possible in supporting recovery and growth plans – entertaining applications for both capital and revenue-related activity. There are, however, some things we cannot support. For example, we cannot fund working capital or everyday business expenditure, and we cannot fund statutory requirements, stock or assets for re-sale, or certain company vehicles.
- Grants will not fund 100% of the cost. Businesses will need to contribute towards their planned investment and we will need to see that businesses can fund the total cost of the investment up front, as grants will be claimed retrospectively.
- Businesses will be offered a specific grant and they will need to pay for their purchases before claiming the money back from the council.
- Assuming we have all the necessary evidence and business bank details, grants will be paid out promptly to minimise pressure on a business's cashflow .
- Access to grant funding is via an application form and the process is a competitive one.
- Application forms can be requested via email recoverygrowthgrant@sholland.gov.uk or by calling the Recovery and Growth team on (tel 01775 764813).
- Completed application forms can be emailed to recoverygrowthgrant@sholland.gov.uk or printed off and returned by post to Recovery and Growth Grant team, Economic Development, South Holland District Council, Priory Road, Spalding, Lincolnshire, PE11 2XE.



Examples of what these grants CAN support:

- ✔ Website development costs
- ✔ Staff training and development costs
- ✔ Business advice or consultancy costs
- ✔ Development of marketing materials or social media promotional activity
- ✔ Purchase of equipment or machinery such as CNC machines, printers, computer equipment, forklift trucks, warehouse racking, packaging equipment or any other asset that will help a business develop and grow.
- ✔ Cost of renovating shop frontage or changing/improving the customer experience
- ✔ Innovations that help business adapt and change to a post-COVID-19 environment
- ✔ New Product or service development or activity to grow or diversify into new markets.

Examples of what these grants CAN NOT support:

- ✔ Paying off debts or refinancing
- ✔ Purchase of land or buildings or financial investments
- ✔ The cost of building new business premises (equipping new premises may however be eligible)
- ✔ Salaries, travel or subsistence
- ✔ Ongoing normal business costs (i.e. business rates, overheads etc.)
- ✔ Purchase of company cars
- ✔ Any statutory or legislative obligations, duties or requirements
- ✔ Grants will not be approved where the purchase is via lease hire or on finance.

Other things you need to know about the grants

- ✔ There are three levels of grant available, each contributing a different percentage towards the total cost.
 - For grants between £1,000 - £4,999, you will have to fund 20% of the total spend.
 - For grants between £5,000 - £9,999, you will have to fund 30% of the total spend.
 - For grants between £10,000 - £24,999, you will have to fund 40% of the total spend.
- ✔ Applications must be made via the Recovery and Growth Grant application form.
- ✔ Grants must be claimed in full before 31/3/2022. Any grant not claimed before this date will be lost. There are no exceptions to this rule.



- Any expenditure pre dating the formal Grant offer letter is classed as ineligible.
- All grant payments are made as reimbursements to the applicant, subject to the satisfactory provision of proof of expenditure in full and in strict accordance with the original application.
- Net costs (excluding VAT) must be used when calculating the project value on the application form. All grant payments will be based on the net cost paid by the applicant unless the applicant is, for whatever reason, unable to reclaim VAT. In which case the full, gross cost will be used to calculate the grant payable.
- Grants will be paid at the agreed intervention rate per the grant offer letter. If actual project spend is less than the value detailed in your grant application and grant offer letter your grant will be reduced accordingly.
- Any asset purchased with grant funding must be homed within the South Holland district.
- South Holland District Council reserves the right to visit any company receiving grant assistance to ensure the grant has been used for the purpose it was intended and as stated in the application form, as well as to inspect records to show costs have been incurred in line with the grant award letter.
- South Holland District Council will recover any funding secured through deception or not used for the agreed purpose set out in the application.

Things to Note on Procurement

- Applications for grants under £10k must be accompanied by one quotation.
- Applications for grants over £10k must be accompanied by at least two quotations.
- You are not obliged to accept the lowest quote received, but a written explanation of the rationale behind any such decision will be required. When securing quotations to support this application please be mindful of your own company's procurement procedures.
- Website screenshots and supplier email correspondence are accepted quotation formats.



Eligibility section, questions one to six

Q1 - Is your Business based within the South Holland District? Your business must be based in, and trade from, within the district. If you are a mobile business that is based in South Holland you must be able to prove that the majority (over 50%) of your trade takes place within the district.

Q2 - Is your business currently trading? If you have ceased trading you cannot apply for a Recovery and Growth Grant.

Q3 - Can you confirm that your business is NOT insolvent, in the process of being struck-off, or classified as an 'undertaking in difficulty'? If you are in the process of being struck off or classified as being an undertaking in difficulty then you cannot apply for a Recovery and Growth Grant. The definition of being an Undertaking in Difficulty can be found at Annex 3.

Q4 - Can you confirm that your business has received less than £1.6m of UK Government and/or European funding over the past three years? The new, higher subsidy control allowances, which replace the state aid regulations, mean that you can receive up to £1.6m of European and UK Government funding before facing restrictions. If you think you have claimed close to this amount over the past three years then please contact us to discuss this further. (Please see the Subsidy Control Thresholds section at Annex 2)

Q5 - If successful in being awarded a grant, are you happy to be contacted to provide an update on your recovery and growth? As part of our own audit process, we need to be able to sample check grant recipients to ensure the money was invested in line with the approval decision. Therefore, applicants must consent to being contacted after the event to provide South Holland District Council with evidence of compliant expenditure and an update on any recovery or growth experienced.

Q6 - Can you confirm that you can complete your project before the end of March 2022? As all of the funding needs to be committed and spent by 31/3/22, it is important that you confirm your ability to work within these timescales. Failure to claim any grant before the end date will result in the grant being withdrawn, leaving businesses exposed to a financial liability.



Company Details

Q1-3, Q11-16 - Please provide the trading address and, if different, the full correspondence address. We also need information about any Business rates your business are registered for and the contact details of the key person in your organisation that will be responsible for the grant application.

Q4 - Please provide a brief description of what your business does, some background on products or services, and some details about your customers.

Q7-8 - Please provide up to date information about the number of employees you have and your current turnover.

Q5-6 & 9-10 - It is also important that we know how your business is structured. When did you start trading? Are you self-employed, trading as a limited company, charity or partnership? Please also add any relevant references, such as your Companies House registration number, and if you are VAT registered, your VAT registration number.

About the impact COVID-19 has had on your business

Q17 - It is important that you describe the impact COVID-19 and the subsequent national restrictions have had on your business. Quantify the impact if you can, so we can see if you have been severely affected.

About your Recovery and Growth Plans

Q18 - Tell us about your plans for the future and how your business hopes to both recover and grow. Think where you hope to be in a year or two years' time. For example, are you expecting to increase your customer base, grow your sales, re-employ people you may have had to let go, or develop new products or services?

About your Investment Plans (Q19-26)

Q19 & 20 - Be as specific as you can be in telling us what the grant money will support. If it's a specific piece of equipment or revenue expenditure, tell us what it is and how it will benefit your business.

We are interested in how you think it will impact on your business's performance, both in the short and long-term. How will it drive your business forward? Will it help



you to save money or increase your turnover? What key indicators will you use to calculate the bottom-line impact of your investment?

Remember that you will need to provide at least one quote, depending on how much grant you are applying for, and don't forget to tell us who your preferred supplier is so we know how much the total bill is likely to be.

Q21 - To help us categorise where grants are being spent, we'd like you to consider the statements in question 21 and tick the three most relevant ones.

Q22 & 23 - What is the total cost of the things you are hoping to buy? The total net amount dictates the value of grant that you are applying for.

For example:

If you are looking to spend £2,000 + VAT on developing your website and getting some social media advice, plus £3,500 + VAT on some point-of-sale materials for exhibitions, your total spend would be £5,500 + VAT. This would mean you could apply for a grant of £4,400 (80% of the total)

If you were looking to purchase second-hand CNC and packaging machines for £32,500 + VAT, then you could apply for a grant of £19,500 (60% of the total).

Q24 - Once we have approved the grant, you need to be able to make the investment, pay your suppliers and then claim back the grant. Therefore, it is important that you have thought about how you will cashflow the purchase using either company reserves, an agreed overdraft, a Bounce Back Loans, a director's loan, family money or other sources.

Grants will not be approved if you cannot fund the entire purchase prior to claiming your grant.

Q25 - The funding has to be spent and claimed before the 31st March 2022, so we can only support applications which can guarantee to have made the purchase/s by then. This may mean that UK suppliers, although perhaps more expensive, might be preferable for certain purchases given the current challenges with international freight and shortages of certain materials.

If you are looking to invest in specialist machinery or bespoke equipment, the lead times might present a challenge. If in doubt, please talk to us about this.

Q26 - In common with most grants, we cannot fund things that have already been purchased. When claiming grants applicants need to show dated invoices and bank statements showing the transactions took place after the grant award decision.



Nearly There!

Q27 - Please list any grants that you've received over the past three years. We are obliged to ask for and collect this information by central government. Please include any COVID-19 relief grants but not furlough payments or SEISS.

Q28 - If you are related to anyone working at South Holland Council (councillor or member of staff), you are asked to declare an interest now. This does not disqualify you or disadvantage you in any way.

Supplying additional information

Q29 - Please ensure you enclose a hard copy or scanned email copy of your most recent set of accounts (profit and loss and balance sheet). If you are a new business that has not yet got a set of annual accounts we will need a copy of your business plan.

In addition, please do not forget to include copies of quotes for the things you are looking to invest in.

- Applications for grants under £10k must be accompanied by one quotation.
- Applications for grants over £10k must be accompanied by at least two quotations.
- Website screenshots and supplier email correspondence are accepted quotation formats.

You **are not obliged** to accept the lowest quote received, but a written explanation of the rationale behind any such decision will be required. When securing quotations to support this application please be mindful of your own company's procurement procedures.

Finally, don't forget to sign and date the application before returning it to:

**Recovery and Growth Project Office,
Economic Development Service,
South Holland District Council,
Priory Road,
Spalding,
PE11 2XE**

Or email to recoverygrowthgrant@sholland.gov.uk (No signature required on applications submitted via email.)



The Decision Making Process

Applications will be assessed fortnightly by a panel comprising of at least three assessors. The panel has the right to refuse grant assistance or offer reduced levels of financial support both in terms of the percentage of grant awarded, against eligible expenditure, and the total value of the grant awarded.

The panel's decision will be final and there is no appeals process.

Any expenditure incurred before receipt of the formal offer letter is entirely at the applicant's own risk and is deemed to be ineligible expenditure for grant assistance.

Please allow up to one month from the time that we receive your application to the time a decision is reached. If incomplete applications are submitted this may take longer.

The Recovery & Growth Grant programme has limited availability and grants will be assessed both on a first come first served basis and on the impact that the proposed investment will have on the individual business and the wider South Holland economy.

The Claims Process

Once a decision has been made on a grant award, the successful applicant will receive a grant offer letter with instructions on how to claim their grant.

One signed copy of this award letter will need to be returned to the Recovery and Growth Grant team along with a completed business bank details form and copy bank statement (showing account name, sort code and account number).

The team at South Holland will enter the bank details into the payment system in readiness of receiving the claim once the expenditure has been incurred. As part of their anti-fraud policy, a member of South Holland District Council's finance team may call the business to verify the bank details provided.

The grant can only be claimed once the expenditure has been incurred and proof has been provided that suppliers of products or services have been paid.

To claim the grant, businesses will need to send their completed claim form along with a copy of supplier invoices and the business bank statement that shows that invoices have been paid.



Once the Recovery and Growth Grant team has received the claim form and supporting evidence, the grant payment will be processed.

We aim to settle all claims within three weeks of submission.

Payments are made via BACS directly to the business bank account.

Successful grant applicants will be expected to:

- Provide all evidence required to process and verify the grant application.
- Co-operate, if requested, with the Recovery and Growth Grant team to publicise any savings, outputs and outcomes in the form of press releases, case studies or other communications unless there are clear reasons not to (for example, confidentiality around intellectual property, patents protection etc.)
- Inform South Holland District Council if they dispose of any asset purchased using the Recovery & Growth Fund within a 12 month period as South Holland District Council reserves the right to ask the grant recipient to repay the grant in full or in part.
- Retain all documents relating to the grant application, procurement of assets/ services, invoices, bank statements and evidence for grant claim procedure until at least August 2031.

Use of company and personal information

Information submitted by companies applying for grant funding may be shared with partner organisations to support marketing activity, to assess impact and to undertake independent programme evaluations.

All information is held in strictest confidence by South Holland District Council and its partners.

All parties comply fully with GDPR guidelines.

More information on Privacy Notices can be found on Annex 4 and at www.sholland.gov.uk/recoveryandgrowth/privacynotice



Q1 - I am thinking about setting up a business – am I eligible to apply for a grant?

A - No - Only businesses that are already trading can apply for a Recovery & Growth grant.

Q2 - I am Self Employed and work from home – am I eligible to apply for a grant?

A - Yes, Self Employed people can apply for the grant. They must be trading from a base within the South Holland District and have a UK business bank account.

Q3 - How long is the funding available for?

A - All of the funding must be invested before 31st March 2022 so we envisage approving applications through to the end of 2021, giving three months for businesses to make their purchases and claim the funding. However, as it's a competitive process and because the money is limited the fund might be fully committed before then.

Q4 - How long do I have to claim my grant?

A - Once a decision has been made and an offer letter issued you will have 3 months to make the investment and reclaim your grant. Failure to claim a grant before the 31st March 2022 deadline will result in the funding being withdrawn.

Q5 - Can I submit more than one application?

A - Yes it is possible for a business to submit more than one application for Grant funding. However, these may not be assessed until towards the end of the investment window when we have a clearer idea of the level of funds that remain.

Q6 - Is there a limit on how much I can claim back?

A - Yes, the maximum for any one grant is £24,999.



Q7 - How long will it be before I hear whether my application has been successful?

A - We are expecting there to be considerable demand from local businesses which may result in a delay in us assessing your application. We do however expect to be able to communicate the decision outcome decision within one month.

Q8 - What supporting information will I need to provide with my application?

A - We need your most recent set of accounts, or your business plan if you've been trading less than 12 months. We also need a completed application form and 1 or 2 quotes depending on the size of your grant application.

Q9 - Is the Grant paid to me or my business?

A - All grants are paid into UK business accounts bearing your business's name. To minimise the risk of fraud and as part of our financial due diligence we are obliged to check that bank account details are correct so you may be contacted in due course by a member of our team.

Q10 - Is this grant available to businesses who are based outside of the District?

A - No, only businesses based within the District can apply for a grant. Mobile businesses that do not have a base in South Holland must prove that the majority of their turnover is generated within the District.

Q11 - How will I know if the funding has been exhausted or if the scheme has changed in any way?

A - We will use the South Holland Website to provide updates on the funds status or changes to the scheme.



Annex 2 – Subsidy Control Thresholds

The following scheme rules are to be applied to COVID-19 business grants on the basis of the EU-UK Trade and Co-operation Agreement (TCA).

The below scheme rules should be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.

1 - Small Amounts of Financial Assistance Allowance

Grants may be paid in accordance with Article 3.2(4) of the TCA, which enables an applicant to receive up to a maximum level of subsidy without engaging Chapter 3 of the TCA. This allowance is 325,000 Special Drawing Rights, to a single economic actor over any period of three fiscal years, which is the equivalent of £335,000 as at 2 March 2021. An applicant may elect not to receive grants under the Small Amounts of Financial Assistance Allowance and instead receive grants only using the below allowances available under this scheme.

2 - COVID-19 Business Grant Allowance

Where the Small Amounts of Financial Assistance Allowance has been reached, grants may be paid in compliance with the Principles set out in Article 3.4 of the TCA and in compliance with Article 3.2(3) of the TCA under the COVID-19 Business Grant Allowance (subsidies granted on a temporary basis to respond to a national or global economic emergency). For the purposes of these scheme rules, this allowance is £1,600,000 per single economic actor. This allowance includes any grants previously received under the COVID-19 business grant schemes and any State aid previously received under Section 3.1 of the European Commission's Temporary Framework across any other UK scheme. This may be combined with the Small Amounts of Financial Assistance Allowance to equal £1,935,000 (subject to the exact amount applicable under the Small Amounts of Financial Assistance Allowance using the Special Drawing Right calculator).



3 - COVID-19 Business Grant Special Allowance

Where an applicant has reached its limit under the Small Amounts of Financial Assistance Allowance and COVID-19 Business Grant Allowance, it may be able to access a further allowance of funding under these scheme rules of up to £9,000,000 per single economic actor, provided the following conditions are met:

1. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and the date of application, including such costs incurred in any part of that period ('eligible period');
2. Applicants must demonstrate a decline in turnover during the eligible period of at least 30% compared to the same period in 2019. The calculation of losses will be based on audited accounts or official statutory accounts filed at Companies House, or approved accounts submitted to HMRC which includes information on the applicant's profit and loss;
3. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies;
4. The grant payment must not exceed 70% of the applicant's uncovered fixed costs, except for micro and small enterprises (for the purposes of this scheme defined as less than 50 employees and less than £9,000,000 of annual turnover and/or annual balance sheet), where the grant payment must not exceed 90% of the uncovered fixed costs;
5. Grant payments under this allowance must not exceed £9,000,000 per single economic actor. This allowance includes any grants previously received in accordance with Section 3.12 of the European Commission's Temporary Framework; all figures used must be gross, that is, before any deduction of tax or other charge;
6. Grants provided under this allowance shall not be cumulated with other subsidies for the same costs.

An applicant must be able to provide the necessary documentation to demonstrate it is eligible for funding under this COVID-19 Business Grant Special Allowance. Local Authorities must first verify that an applicant can meet all the criteria set out under this allowance before providing further funding under this allowance.

Grants provided in excess of the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' (as defined in Annex 3 below) on 31 December 2019. In derogation to the above, grants can be granted to micro or small enterprises (as defined above) that were already in difficulty on 31 December 2019 provided that they are not subject to collective insolvency proceedings.



Local Authorities must ensure the remaining applicable provisions of the subsidies chapter of the TCA are complied with. In particular, the Transparency obligations under Article 3.7. The transparency database can be found at <https://manageuksubsidies.beis.gov.uk/>.

If a grant is awarded under the Small Amounts of Financial Assistance Allowance, Local Authorities must ask the recipient whether, when cumulated with any De Minimis State Aid or Small Amounts of Financial Assistance that the business has received in the last three years, the grant will mean that the recipient has received more than 325,000 Special Drawing Rights (approximately £335,000 at the time of writing). If it has, then the grant must be declared on the BEIS transparency database within six months of it being made.

If the grant is awarded under the COVID-19 Business Grant Allowance or the COVID-19 Business Grant Special Allowance, Local Authorities must ask the recipient whether, when cumulated with any other grant under the allowances, the recipient has received more than £500,000. If it has, then the grant must be declared on the BEIS transparency database within six months of it being made.

For access to and any further questions on the database, please contact the BEIS subsidy control team at subsidycontrol@beis.gov.uk.

Local Authorities still need to comply with reporting requirements to the European Commission in respect of grants previously granted under the European Commission's Temporary Framework before the Transition Period ended on 31 December 2020.



Annex 3 - Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

1. the undertaking's book debt to equity ratio has been greater than 7.5 and
2. the undertaking's EBITDA interest coverage ratio has been below 1.0.



What this Privacy Notice covers?

Your privacy is very important to South Holland District Council

South Holland District Council is the Data Controller responsible for the personal information you may provide in relation to your involvement with the Recovery and Growth Grant programme. Our Data Protection Officer can be contacted by phone on 01775 761161, via email: mark.stinson@sholland.gov.uk or by writing to us at Legal Services, South Holland District Council, Priory Road, Spalding, Lincolnshire, PE11 2XE.

Your data will be processed by Public Sector Partnership Services Ltd (PSPS) a company which is owned and controlled by East Lindsey and South Holland District Councils. PSPS's Data Protection Officer can be contacted by phone on 01507 613303, via email: performance@psps.com, or in writing to Data Protection Officer, Public Sector Partnership Services Ltd, Tedder Hall, Manby Park, Louth, Lincolnshire LN11 8UP

Your data will also be processed by our contractors:

Social Change UK Limited, First Floor, 29-31 Mint Street, Lincoln LN1 1UB
Kudos Project Management Limited, Chaise House, Besthorpe, Newark NG23 7HR

Why we need your personal data?

Key contact personal data will be collected during the Recovery and Growth Grant application process. Contact details will be used by the Recovery and Growth Grant team in communicating with you throughout your involvement with the programme. The legal basis for processing this data is Article 6.1(e) Public Task - Processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller.

How is your data used?

We will only use your data for the specific purpose of contacting you regarding the Recovery and Growth Grant programme. This allows us to effectively market, deliver and evaluate the Recovery and Growth Grant service.



How long the information is kept for

We will keep and use your data for the specific purpose of contacting individuals about the programme. Business and Personal information will be held until 2032, 10 years after the financial completion of the Recovery and Growth Grant Programme, in compliance with national guidance.

Your rights

You have the right to access your data and correct any inaccuracies. For further details of your rights please contact the Data Protection Officer or go to our website for a more detailed explanation www.sholland.gov.uk.

Please see our website for our full privacy policy.

