

Chorley Business Investment for Growth Grant Guidance Notes.

Encouraging and Supporting Business Growth in Chorley.

What is the Chorley Business Investment for Growth (BIG) Grant?

In 2012 Chorley's Economic Development Strategy highlighted economic development in Chorley as the key to improving the quality of life in the borough and as such has been identified as one of the Council's top priorities.

Chorley's vision is to capitalise on its location in order to be the place of choice in the North West to do business. Chorley will attract employers to its key employment sites and with its strong local business base; residents will have a greater opportunity to gain well paid employment locally. In addition Chorley will be a thriving market town, capitalising on its famous markets and wealth of independent shops and will complement, rather than compete with, neighbouring towns in attracting visitors from across the region.

The BIG grant is targeted to provide financial support for businesses that have been trading for over 6 months and have vision for growth and increasing employment levels.

What is the financial support for?

The BIG grant can be used for the construction of new buildings; the refurbishment/adaptation of existing business premises; site engineering works; plant and equipment; signage; hard/soft landscaping and security improvements.

The BIG grant will provide financial support to expanding businesses in Chorley Borough and is provided to enable and support the creation of new jobs.

Am I eligible for support?

The funds will support small and medium sized enterprises (SMEs) who are planning to invest in the range of activities detailed above. An SME is a company which employs fewer than 250 persons (full time equivalent), and has a turnover of less than 50 million Euros and/or has an annual balance sheet of less than 43 million Euros. No more than 25% of the company's capital or voting rights may be held by a parent company which is not itself an SME.

In order to comply with EU state aid regulations Chorley Council is unable to provide financial support to companies in the transport sector, or those involved in the production of agricultural equipment.

Please note: An offer of grant assistance from the Chorley BIG scheme must be in place before you commence or pay for any works that you require grant funding for. The BIG grant is not available retrospectively to fund work which has already been carried out and/or paid for.

Is this state aid?

Yes. The BIG grant uses public money, and therefore constitutes state aid as defined in the European Commission regulations. It will be given to SMEs under the EU de minimus rules. This means that an SME can receive up to 200,000 Euros of state aid over a rolling three year period. More information on this issue is available from <http://www.bis.gov.uk/policies/europe/state-aid>. You will be required to provide details of any state aid received during the last three years on the grant application form.

Duration of scheme

The scheme is open from 1st April 2013

Funds will be allocated on a first come first served basis. We would recommend that you speak to Council Officers in advance of preparing an application to ensure funds are still available.

How much can I apply for?

The award of financial assistance is discretionary and will be dependent on the quality of the project and the outputs it delivers. An appraisal panel appointed by the Council will assess applications against a range of economic criteria relevant to the application. The economic criteria considered are:

- Floorspace improved/ created (Sq ft)
- No of jobs created – this should be an increase in the total jobs within your business
- No of jobs accessed by a Chorley resident in the Borough
- Private sector investment
- Businesses signed up to employment charter
- Businesses supported by sector

Businesses can apply for 50% of total eligible project costs. Businesses can claim up to a maximum of £10,000 to invest in the range of activities detailed in this document. Grants will be based on £2,000 per job created but ultimately the programme aspires to achieve far greater job creation than this level.

For example if a business is investing £30,000 on eligible expenditure which will create 2 jobs then they would be able to access up to £4,000 (2x £2000) whilst if they are creating 10 jobs their BIG funding would be capped at £10,000 (the maximum amount available through the scheme).

Application to, and receipt of funding from, the BIG grant does not exclude the businesses from applying to, and receiving funds from other grant and loan schemes up to the relevant state aid threshold.

Sources of 'top up' funding?

Businesses operating in the B2B sector can obtain free and impartial support for raising finance from Access to Finance, part of the Boost Business Lancashire initiative:

<http://www.a2fnw.co.uk/>

Sources of 'top-up' funding include;

Banks or other financial institutions

Lancashire County Council's Rosebud business finance:

(<http://www.lancashire.gov.uk/business/finance-and-funding/rosebud-business-finance/>)

Lancashire Community Finance: (<http://www.lancashirecommunityfinance.co.uk/>)

Lancashire County Council's Funding Circle (crowdfunding):

(<http://www.lancashire.gov.uk/business/finance-and-funding/peer-to-peer-lending.aspx>)

Are there any standard conditions to receiving the grant?

Grant assistance is subject to receiving a satisfactory business plan and cashflow forecast that demonstrates the viability and future sustainability of the business.

There must not be any environmental health, business rate enforcement or legal issues outstanding with Chorley Council at the time of the grant application.

Grant assistance is conditional on the applicant checking whether any statutory permissions are required for the work being undertaken.

Successful applicants will also be required to be involved in joint publicity to promote the BIG scheme. This could include participation in photo opportunities, the preparation of press releases and case studies.

What are the Community Repayment requirements?

Chorley BIG funding is provided as a grant. Chorley Council requires grant recipients to deliver economic and community outputs in return for receiving this funding.

In addition to the creation of new job opportunities within the grant applicant's business and other economic criteria (listed above in the 'how much can I apply for' section) the second area of output sees grant recipients being asked to carry out 'Community Repayment' activities to a percentage of the value of the grant they receive.

Suggested activities are listed below, together with their values. Activities must be delivered to registered Charities or Social Enterprises based within the Borough of Chorley, or to the local community in which they reside. Please note - Chorley Council will support grant

recipients to identify organisations to whom they can provide their Community Repayment activities to - making this grant scheme requirement easier to achieve.

The amount of community repayment to be carried out is as follows;

Either;

- Products or services, priced at your retail value, to 50% of the grant value.

For example; if you are awarded a £8,000 grant you are asked to deliver goods or services with a retail value of £4,000 to an eligible organisation

Or;

Time contribution to the value of 25% of the grant value. This is a great way for businesses to share their expertise with eligible organisations. This could be support in areas such as business development, marketing or HR.

For example; if you are awarded a £8,000 grant you, or your staff members, would support eligible organisation/s with time to the value of £2,000.

The spirit of the community repayment scheme is to create links between businesses and Charities/Social Enterprises, or the wider community in Chorley with the aim of supporting, empowering and enhancing this sector. This opportunity also provides grant recipients with the opportunity to enhance their Corporate Social Responsibility activities.

All community repayment activities must be agreed with Chorley Council staff in advance of being carried out for the recipient. Any work carried out in advance of agreement will not be considered towards this output.

The Community Repayment agreement will be arranged between the grant recipient and the Charity/Social Enterprise or local community. Chorley Council will have no liability within this arrangement.

Who are the Eligible Organisations I can work with?

As outlined, the spirit of the scheme is for businesses to work with charities, social enterprises or their local community. In some cases, these organisations may be readily identifiable and provide an ideal fit with the business receiving the grant. In other situations, charities or social enterprises may need to be identified and the officer at Chorley Council who administers the grant scheme can assist with identifying these. In all cases, the eligibility of a charity, social enterprise or community group should be first checked with Chorley Council at the application stage and always before any repayment activities commence.

Monitoring;

The Council is required to monitor the economic assets of the grant scheme, e.g. the creation of jobs, and will require successful applicants to provide evidence of the delivery of

original BIG grant application outputs to enable payment of the grant and for the lifetime of the project.

How do I apply?

In the first instance please contact the Council's Business, Development and Growth Department to discuss your potential application. Tel. 01257 515300. Email edu@chorley.gov.uk

- You will receive guidance on the grant application process, which will include when and how to submit the grant application form, which will also involve sending:
 - A copy of your business plan
 - A three year cash flow forecast
 - A copy of your accounts from the previous 3 financial years (where relevant)

Note: If your end of year accounts are due for submission to Companies House, or are to be produced for your own purposes within a month of making this application, you will be required to supply these accounts either as draft accounts, or provide these as soon as finalised, so they can be considered as part of your application.

- Confirmation of planning permission (if applicable)
- Landlord's permission (if applicable)
- Evidence of your element of the 'top-up' funding required
- Three written quotes for the work

In addition you will need to provide the following in advance of receiving any financial assistance from the BIG grant scheme.

- Copies of other consents as appropriate e.g. building regulations
- Landlords permission (if applicable)
- Evidence of 'top-up' funding (e.g. bank statement or letter from Bank)
- Three written quotes for works or equipment

What happens next?

After you have submitted your application form and supporting documentation a decision will be made by the grant panel within four weeks.

The Council officer that has been supporting you with your application will contact you in relation to your application and, if successful, will provide you with a formal offer of grant assistance, subject to a '5 Day Call In Period' where the grant panel decision is open to scrutiny by councillors. Therefore, it is at your own financial risk if you commence work before the 'Call In Period' has ended. Once you have received this formal offer you are able to commence with the works for which you have applied for funding from the BIG scheme.

Payment of grant

From the date of the offer letter the timescale for claiming the grant is;

- 3 months for plant and machinery
- 6 months for building works

Extensions to timescales are available but should be agreed with Council Officers before the deadlines above to avoid you losing your grant allocation.

The grant is paid on defrayed expenditure, ie grants will be paid to a business once;

- All works have been completed or equipment purchased to the satisfaction of Council Officers
- The Council has inspected the original contractor's invoices and proof of applicant's payment of contractor's invoice
- Evidence of jobs created is provided

If a business completes the works/ purchases agreed to be funded, and creates and fills the jobs at the same time then these parts of the grant will be paid at this point in time.

Chorley Council realises that jobs may not be created, and filled, for a period after the works are carried out. Therefore applicants are allowed up to twelve months from the date of the panel decision to fill their vacancies.

Similarly, due to the nature of the Community Repayment Scheme, with activities potentially taking place over a longer timeframe, up to 12 months is also allowed to deliver this activity from the date of the panel decision.

If any elements of the grant scheme (investment, jobs created or community repayment) are not carried out in these timescales no further grant payments will be made.

In these circumstances Chorley Council will pay out the grant in the following phases;

- 40% paid on physical completion of the eligible works/ purchases
- 30% paid when evidence of the jobs created has been provided
- 30% paid when community payback activities are completed

Once payment is agreed with Council officers, grants will be paid within 30 days.