



## INVEST IN NORTH LINCOLNSHIRE

### What is it?

One off business grant to assist individuals to meet businesses costs associated with becoming self-employed or starting a small business.

### Who can apply?

Any individual who is looking to become self-employed, starting a small business or who has been trading for less than 12 months whilst meeting the scheme's criteria (Please see below).

Certain types of businesses are not eligible for the scheme, including public sector organisations, domestic households, businesses linked to other organisations and the voluntary sector.

### Is my project eligible?

Your business must be based within North Lincolnshire. Your proposals should be well planned and have a good chance of success. Grants cannot be used to repay past debts. The grant can only be used for a legitimate business cost where there is a clear need that the applicant is struggling to finance e.g. equipment or other specific start-up costs, and are unable to access other sources of financial support.

### How much?

Grants are up to a maximum of £1000. Generally, grants will be in the region of £500. The funds available are limited, therefore only those applications that can best demonstrate viability will be considered.

### What for?

Grants can be used for equipment and other capital expenditure (other than vehicles and standard IT equipment, such as laptops, computers, tablets) and other specific start-up costs, such as those associated with any accreditations or permits required.

### LEP Business Support

As part of receiving this funding you are required to receive 12 hours of additional support via the Local Enterprise Partnership. This will consist of a combination of one-to-one support with a dedicated business advisor and a series of webinars.

### UK Subsidy Allowance Rules

The EU State aid rules no longer apply to subsidies granted in the UK following the end of the transition period, which ended on 31 December 2020. The United Kingdom remains bound by its international commitments, including subsidy obligations set out in the Trade and Cooperation Agreement (TCA) with the EU. On Thursday 4 March new subsidy

allowances were established for the COVID-19 business grants schemes, on the basis of the principles set out in Article 3.4 of the TCA.

From Thursday 4 March Businesses must apply the updated provisions must apply.

The below scheme rules will be applied to applicants at the level of economic actor, which is defined as an entity or a group of entities constituting 17 a single economic entity regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

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.

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).

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:

A. The Special Allowance covers only the applicant's uncovered fixed costs incurred during the period between 1 March 2020 and 31 March 2022, including such costs incurred in any part of that period ('eligible period').

B. 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.

C. 'Uncovered fixed costs' means fixed costs not otherwise covered by profit, insurance or other subsidies.

D. 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.

E. 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.

F. 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.

Grants provided more than the Small Amounts of Financial Assistance Allowance may not be granted to applicants that were defined as an 'undertaking in difficulty' 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 if they are not subject to collective insolvency proceedings.

It is the responsibility of the applicant to ensure North Lincolnshire Council is aware of any previous funding that has been received under any of the above exemptions. If an applicant is unsure, they must contact the grant provider to seek clarification and provide this evidence to North Lincolnshire Council.

North Lincolnshire Council does not hold responsibility for the evidence submitted and should an event occur where the applicant has breached state aid regulations then they will be held responsible and be required to repay part or all of the grant awarded to them.

### **How do I apply?**

Please arrange to contact a business advisor via our [online booking portal](#). One of our Business Advisors will be in touch regarding submitting a full grant application form.

You will be asked to provide us with your business plan when you apply. If you do not have a Business Plan, an Advisor will arrange a meeting to discuss your business idea and business plan.

Businesses can access a template business plan via the [Invest In North Lincolnshire](#)

### **What happens next?**

You should submit your grant application as soon as possible from Wed 21 April to be considered for funding in the first application round. If funding is still available after the completion of this first round, funding will be allocated on a first come, first served basis.

If you are successful you will be informed in writing within 5 working days of the decision. Decisions are at the discretion of the North Lincolnshire Council and if unsuccessful, applicants are not eligible to reapply.

Successful applications will be required to sign an offer letter detailing the outputs and milestones associated with the project. Payment will be made on submission of an invoice and the applicant must provide evidence of defrayal of the grant through bank statements and/or invoices on completion of the project.