

UK Shared Prosperity Fund

Supporting the Local Economy
North Lincolnshire Council
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UKSPF Workshop Content

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UK Shared Prosperity Fund

- The UK Shared Prosperity Fund (UKSPF) is part of the government's Levelling Up agenda. It will provide £2.6 billion of funding to Local Authorities across the UK.
- North Lincolnshire has been allocated £6,474,618 of funds.
- The fund will be invested in three key priorities: communities and place, **support for local businesses**, and people and skills.
- Funding period: April 2022 to March 2025

Digital Grant Fund

- The Digital Grant Fund will enable businesses who wish to implement a digital project to apply for both capital and/or revenue funding.
- Capital - Hardware, software or improving businesses digital connectivity through increased broadband speed (FTTP Infrastructure). The scheme will not support general IT purchases (such as laptops, iPads, tablets etc.) unless these can be directly linked to wider elements of a project.
- Revenue - Digital marketing campaigns, use of consultants to assess how to improve the reach of the business and/or the installation of new technologies as part of a wider project.

Eligible Businesses

- Businesses must be based within the North Lincolnshire region, with the proposed investment being made inside the region.
- Businesses must have been trading for a minimum of 12 months and be able to produce a full year's annual accounts as evidence.
- Businesses must have a UK based bank account that is in the name (or trading name) of the entity applying for the funding.
- Businesses must not be considered an undertaking in difficulty

Eligible Activities

- Business Digital and Marketing Grant can be used to contribute to one or more of the following activities:
- Hardware – excluding standard laptops/PC's unless linked to a larger aspect of the project such as software requirements. (capital)
- Superfast Connection – covering the cost of installing any connection equipment, infrastructure and the first year's rental costs associated with becoming connected. (Evidence for first year rental costs will be paid in advance against a contract being signed) (capital)
- Software (capital)
- EPOS equipment (capital)
- Digital Marketing – google ad words campaigns, consultant costs looking at digital improvements across the business. (Revenue)
- Web Development (Revenue)
- Software Implementation (Revenue)

Typical Project Examples

- Purchase of new software to improve customer management journey
- Purchase of the installation of improved broadband to a business
- Purchase of bespoke IT equipment and software to deliver a new service/product.
- Contribution towards a digital marketing campaign
- Procurement of marketing consultants to develop a new marketing strategy for a business looking at growing its client reach.
- Moving a current website from regional / national to international market – to increase existing export potential.

Specific Ineligible activity

- Expenditure on the purchase of transport equipment (movable assets) and for the acquisition of road freight transport vehicles
- Applications for projects in the defence sector are ineligible for assistance.
- Projects by schools or colleges
- Projects involving the manufacture of tobacco related products, companies involved in gambling activities, or those sectors deemed to cause potential reputational damage to the UK Government and/or North Lincolnshire Council.

Business Sustainability Grant

- The Business Sustainability Grants prime objective is to support businesses in reducing their energy related overheads whilst also seeking to reduce the regions CO2 emissions as a direct result
- The fund is split between capital investment and revenue costs. The revenue strand will enable businesses to access independent expert advice in understanding their own energy costs, assess/undertake feasibility studies into possible solutions and costs associated with installing equipment/technologies. The capital element of the grant will cover the investment in products/machinery deemed to help support the reduction in CO2 emissions.

Eligible Activities

Sustainability Grant can be used to contribute to one or more of the following activities:

- Energy production infrastructure – solar panels, biomass boilers etc.
- Energy Efficient Products – LED lighting and associated energy saving technologies.
- Building Improvements – Replacement boilers to more efficient or heat source pumps, improving insulation etc.
- Business Consultancy Services – this can include planning consultant, energy consultants

Examples

Typical projects could be:

- Installation of LED lights throughout the business property
- Installation of solar panels on roofs to generate energy on behalf of the business
- Replacement of inefficient boiler to a modern, hydrogen ready boiler
- Feasibility study into where a business could look to invest to reduce their CO2 emissions.

Planning & other requirements

- If projects require planning permission, this must be in place prior to the submission of any grant application. Failure to adhere to planning legislation will result in applications being declined.
- Improvements cannot be made to residential properties, even those with businesses registered at the address. Only properties which sit on the Business Rates register are eligible for funding.
- It will be the responsibility of the Applicant to ensure that they are able to evidence the improvement/reduction in energy consumption to North Lincolnshire Council following successful application and prior to being able to draw down any funding.
- Any equipment purchased utilising the grant scheme must be retained by the business for no less than 36 months after the closure of the grant scheme (31st of March 2023). Any disposal of investments, without the prior written consent of North Lincolnshire Council, could result in part or all the grant funds being clawed back under the scheme.

Specific Ineligible activity

- Expenditure on the purchase of transport vehicles (movable asset)
- The Business Sustainability Grant cannot be used to support undertakings or firms in difficulty
- Applications for projects in the defence sector are ineligible for assistance.
- Projects by schools or colleges
- Projects involving the manufacture of tobacco related products, companies involved in gambling activities, or those sectors deemed to cause potential reputational damage to the UK Government and/or North Lincolnshire Council.

Investment Levels

- The minimum grant level that can be applied for is £500.

Digital

- The maximum grant level is £5,000 for capital projects and £10,000 for revenue-based projects.

Sustainability

- The maximum grant level is £5,000 for capital projects and £5,000 for revenue-based projects. Applicants can apply for both strands of funding under the scheme.

All investments must have been made (left the applicants bank account) no later than the 28th of March 2023. Investment amounts are exclusive of VAT, VAT is not claimable as part of the overall project.

Capital Investment Ratio

Category	Headcount*	Turnover*	Or	Balance Sheet Total*	Maximum Intervention Rate Permissible
Large	Over 250	In Excess of £43.5 million per annum		More than £37 Million	20%
Medium	Fewer than 250	Not exceeding £43.5mil		Not exceeding £37 mil	30%
Small	Fewer than 50	Not exceeding £8.6mil		Not exceeding £8.6mil	40%
Micro	Fewer than 10	Not exceeding £1.7 mil		Not exceeding £1.7 mil	40%

This figure will include all associated group companies. If you are unsure, please contact a member of the team to discuss

Example: Micro business purchases Solar Panels for £5,000 ex VAT

40% of £5,000 = £2000

Example: Large business purchases LED Lighting for £10,000 ex VAT

20% of £10,000 = £2000

Revenue Investment Ratio

Category	Headcount*	Turnover*	Or	Balance Sheet Total*	Maximum Intervention Rate Permissible
Large	Over 250	In Excess of £43.5 million per annum		More than £37 Million	30%
Medium	Fewer than 250	Not exceeding £43.5mil		Not exceeding £37 mil	40%
Small	Fewer than 50	Not exceeding £8.6mil		Not exceeding £8.6mil	50%
Micro	Fewer than 10	Not exceeding £1.7 mil		Not exceeding £1.7 mil	50%

Example: Micro business purchases Digital Marketing Consultancy for £10,000 excluding VAT

50% of £10,000 = £5000

Project overview

Prior to starting your application please ensure you have the below information to hand :

- Overall description of the project
- List of individual items & total project costings
- Why you need funded assistance for the project
- What will happen if the grant was not awarded
- Start date & end date
- Intervention rate requested (this will depend on the size of the business)
- Amount of funding requested
- Number of jobs created and/or safeguarded
- Date the jobs will be created and/or safeguarded

The individuals assessing your application may not know your business so it is vital that you put as much detail about the project and its potential benefits to your business within your application to ensure that you score as high as possible.

Application Process

- All applications must be made online via the Invest in North Lincolnshire Website.
<https://investinnorthlincolnshire.com/funding/uk-shared-prosperity-fund-business-grants>
- Applicants will be required to ensure they provide the following evidence as part of their application process:
 - Completed Application Form
- After passing eligibility checks you will be required to provide the following;
 - Three Years Full Audited Accounts to include Profit & Loss, Balance Sheet & Associated notes (if a business cannot provide this then the business can provide two year forecasted P&L and cashflow)
 - Copy of Quote from Supplier
 - Copy of Bank Statement (less than 30 days old).
 - If the business is not a limited company than evidence of their Unique Tax Reference details and the last two years self-assessment returns.
 - State Aid declaration
- The grants will be subject to an application window starting at 11am on the 8th February 2023 and closing at 5pm on the 22nd of February 2023. **Applications submitted after the close date will not be considered during this application window.**

Approval Process

- Subject to volume of applications North Lincolnshire Council intends to process applications to the following timescales.
- 23rd of February 2023 – Initial assessment of applications to ensure they are compliant with the scheme.
- 24th of February to 1st of March 2023 – Due diligence to be undertaken on all applicants to ensure the business is not considered an undertaking in difficulty or there is any adverse findings
- 2nd of March 2023 – UK Shared Prosperity Fund Panel will meet to review all the applicants and award grants to those successful.
- 3rd of March 2023 – All applicants will be informed of the outcome of their application.
- All successful awards will be posted onto the Invest in Website detailing the business name and total award. Applicants who are unsuccessful will be offered the opportunity to obtain feedback and apply for any future rounds but there will be no right for appeal following the decision-making panel's decision.

UK Subsidy Control

- All applicants will be required to inform North Lincolnshire Council of any grant assistance they have received in the last 3 financial years (FY20/21, FY21/22 & FY22/23). This will need to include any support received during the COVID-19 pandemic.
- Minimal financial assistance (MFA) is capped at a threshold of £315,000. Exceeding £315,000 will not disqualify any applicant from applying for further grant support however the business may be requested to provide additional information.
- Failure to declare previous financial aid will be considered an event of default in relation to any offer/payment of support and an applicant may be required to pay back part or all the funding they have received.

No prior start

If work on a project has started, then it is ineligible for financial support. An application for investment must be submitted and an offer made before work on the project is started.

“Start of work” means either the start of construction work or the first legally binding commitment to order equipment

Any Questions?