

SEBB New Enterprise GRANT GUIDELINES

V2. June 2019

Up to 100% Grant Funding available to new businesses* within the South East Local Enterprise Partnership (SELEP) region. **less than 6 months old since registration*

Grants will cover capital and revenue project items from a minimum amount of **£1,000**, to a maximum of **£2,000**. There is a **£1,500** cap on any ICT (Information, Communications Technology) items.

Get in touch with your local Growth Hub for further Advice & Guidance:

Business Essex Southend Thurrock
(BEST) Growth Hub
www.bestgrowthhub.org.uk
essexsebb@southend.gov.uk
The Hive Enterprise Centre
The Old Central Library
Victoria Avenue
Southend-on-Sea
SS2 6EX
01702 417856

*****Potential applicants to the SEBB Grant Programme must read, and ensure they understand, all the content of this guidance before they apply*****

1. Are you eligible?

1.1 Business size

The SEBB New Enterprise Grant is designed to support new businesses that have been registered for less than 6 months, under the definition of a Small & Medium Sized Enterprises (SMEs).¹ This is defined by the number of full-time equivalent (FTE) staff, and the company's turnover and balance sheet as shown below:

SME QUALIFYING CRITERIA		
FTE STAFF	TURNOVER	BALANCE SHEET
Less than 250	Less than €50m ²	Less than €43m

Where a business has any Partner or Linked companies, there will be supplementary considerations in relation to the above. If required, this will be calculated by the SEBB Programme.

- **What is a FTE Employee?**

Anyone who works a minimum of 36 hours per week counts as 1FTE employee. FTEs include business partners and directors.

If any person, including a business partner or director, works more than 36 hours per week, they still count as 1FTE employee. Apprentices or students who are engaged in vocational training and have apprenticeship or vocational contracts are not included in the staff headcount.

- **Legal entity**

Applicants may be sole-traders, partnerships, limited companies, social enterprises, not-for-profit businesses and some charities, as long as they are engaged in economic activity. All businesses will be **required to have an operational business bank account** in their business/company name. It must also be **your sole/only business** and not a second business venture.

- **De Minimis**

The business must also be able to confirm that they have not exceeded the State Aid De Minimis maximum. This must be the case including the anticipated grant amount being applied for³.

1.2 Ineligible Sectors

The following sectors are **not eligible** due to State Aid regulations so please read the below carefully.

- Fisheries and aquaculture which are supported through EFF
 - Primary production, processing and marketing of agricultural products, which is supported through EAFRD
 - The coal, steel and shipbuilding sectors (excluded by the General Block Exemption EC 800/2008)
 - The synthetic fibres sector (excluded by the General Block Exemption EC 800/2008). Further explanation of the meaning of synthetic fibres sector can be found on the European Commission website at http://ec.europa.eu/competition.state_aid/legislation/archive_docs/96c94_en.html
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- Establishments providing generalised (school age) education cannot be supported.
 - Banking and Insurance companies cannot be supported. This would include insurance brokers who act as intermediaries and 'sell' insurance policies to businesses or individuals.
 - Charities and voluntary sector organisations, that are **not** using a trading arm, are also ineligible.
 - Businesses that are in the retail sector **only**, are also not eligible for a SEBB grant.

1.3 Footnotes and further guidance

¹To access user guide to the SME definition go to

http://www.etsi.org/images/files/membership/SME_definition_user_guide_2015.pdf

²The official Commission exchange rate is updated monthly and can be accessed here:

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm

³The total De Minimis aid which can be given to a single recipient is €200,000 over a 3-year fiscal period. The sterling equivalent is calculated using the Commission exchange rate is applicable on the written date of offer of the De Minimis funding.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=PT>

2. Is your proposal eligible?

2.1 Location

The SEBB NEG Programme supports new businesses based in Southend-on-Sea, Thurrock and Essex.

2.2 Purpose

A SEBB NEG may be used to support projects that facilitate the start-up and growth of a new business. Additional aims of the Programme are to stimulate job creation, and allow for the introduction of new-to-firm products or services.

2.3 Cost

The SEBB NEG Programme is a 100% Grant Funding scheme up to £2,000. There is a cap of £1,500 for ICT items. A discretionary 10% margin is in place for more expensive items.

2.4 Readiness of the proposal

Applicants should apply for a grant when their proposal is ready to commence. This means having the funds available to make their purchase within 4-weeks following a grant offer. Any necessary permissions and licenses should be in place before submission of a Grant Application. **Purchases cannot be made prior to the grant approval date.**

2.5 Funding the proposal

In light of the above, applications should only be made once the applicant has funding in place. This may be through personal funds, savings or existing funds held within the business, including director's loans/bank loans. Loans are acceptable as a funding source providing the loan is **not** secured against the item/ project that is being supported by a SEBB grant. The applicant must be able to purchase their items from a **business bank account** and not a personal account.

Some funding sources are deemed **ineligible**. These include:

- Lease Agreements
- Hire Purchase Agreements
- Finance Agreements
- Purchases made with Credit Cards
- Part Exchanges

In addition, funding from Government or local authority grant programmes, EU funding, Lottery, other programmes or grant initiatives, are not eligible for use as a funding source.

2.6 Need for grant funding

You **must** demonstrate the need for a grant - that the project would not go ahead without a grant, or be substantially delayed or reduced. There are restrictions in place for percentage of the project costs that can be supported with a grant, and all project expenditure must be eligible.

3. What Capital costs are eligible?

All grant-funded purchases must provide a demonstrable economic impact and drive growth within the business. It will be important to make this clear in your proposal and application. Please note there is a maximum cap of **8 items per application**.

	Costs	Condition/Exception(s)
Eligible	Equipment	
	Specialist Software	ICT items are capped at £1,500. If a high specification item is requested, you must provide a valid reason setting out why the lower specification will not achieve your business aims.
	Information and Communications Technology (ICT)	ICT items are capped at £1,500. If a high specification item is requested, you must provide a valid reason setting out why the lower specification will not achieve your business aims.
	Specialist IT Equipment	ICT items are capped at £1,500. If a high specification item is requested, you must provide a valid reason setting out why the lower specification will not achieve your business aims.
	Plant, Equipment and Machinery	
Eligible	Marketing Equipment	Printed collateral and sales ads are not eligible .
	Consultancy Costs	Growth based subjects only. E.g. Business strategy, marketing, product diversification, etc. SEO and ongoing costs are not eligible .

****This list is not exhaustive****

3.1 Non-eligible costs

	Costs	Condition/Exception(s)
Non-Eligible	Match-funding for another EU funded project	
	Paying off debts or re-financing	
	Purchase of stock, on-going normal business costs (i.e. business rates, overheads etc.)	This includes any items that may be subject to resale in the future
	Purchase or rental costs of land, buildings, costs of building maintenance or renewal, etc.	
	Costs associated with statutory or legislative requirements for the organisation	
	Staff/recruitment costs	
	Building on a residential/retail premises	
	Like-for-like replacement/refurbishment	
	Projects that relate solely to the retail-only section of a business	This applies even if the business is not solely in the retail sector

**This list is not exhaustive.*

3.1 VAT - Please Note

Eligible costs will not include VAT unless you are unable to reclaim it.

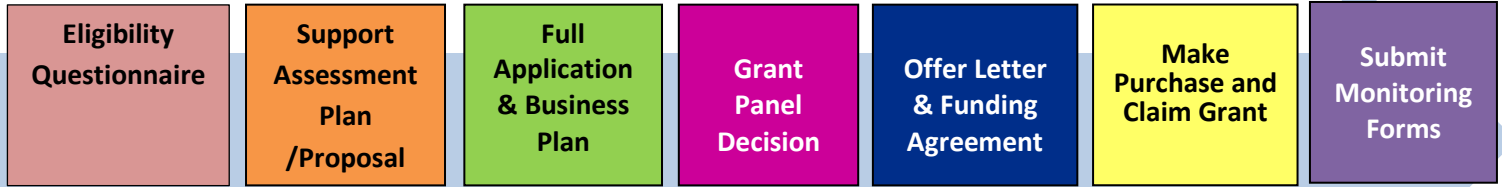
All proposed costs claimed must be supported by certified copies of invoices and correlating bank statements. Any costs that are not fully evidenced cannot be included. No spend, order, or commission of service is allowed before an offer is made. This is checked by way of invoice dates and bank statements.

Is your business and project eligible?

Apply for Funding....

4. Apply for funding

The process is shown below:



4.1 Eligibility/Support Assessment Plan/Proposal

Following submission of your Eligibility Questionnaire, trading evidence and your preferred quote for the each item you would like to purchase (maximum of 8 items) an eligibility check will take place.

If your eligibility is approved, you will receive a phone call and the conversation will focus on how your items will help your new business to grow/start up. It is really important to answer each question in full.

If you are then invited to submit a full application, you will need to include a further 2 quotes per item that you would like to purchase **plus** a Business Plan. It would be advisable to start gathering these quotes as soon as you can, and to make a start on your Business Plan.

If your proposal is deemed eligible, and meets the criteria of the programme you will be notified by your Growth Advisor of the outcome. At the same time, you will be invited to apply using the 'Full Application Form' and Business Plan.

4.2 Full Application & Business Plan

Your Full Application will need to clearly describe how your intended purchase/s will enable business growth, in terms of money and in employment. Make sure to write your answers and descriptions in full to enable the Grants Panel to understand your project.

You will be required to submit x 3 quotes per item you intend to purchase. One quote per item will be provided with your Eligibility Questionnaire and a further 2 quotes must be provided prior to receiving any assistance with your Full Application from our Business Advisors. These quotes must clearly show the company name, and be itemised to show individual costs. When listing your quotes, be sure to list them in a clear order and justify why you have chosen* the quote you have. Separate quotes from the same company will not count.

Quotes can be screenshots of webpages but they must fully capture the URL e.g. www.richersounds.com/amplifiers and they must show all pertinent details i.e. price, quantity, and price inc. VAT where possible.

In addition, you will need to have completed a Business Plan, which will evidence that you have comprehensively thought through your business idea and assessed the cost implications and potential profit and loss.

Once we are in receipt of 3 quotes for each item you intend to purchase, your Business Growth Advisor will be on hand to review and advise on completing this form ahead of submission.

Once completed, your Growth Advisor will submit the Full Application to the Grants Panel.

- **Please Note**

On some occasions, queries may be raised when the application is being appraised ahead of Panel. If you receive a query, please note you will have 3 working days to respond.

Your Grant Application will not be taken any further until we have received your full application form along with all necessary supporting documents, including any relevant quotations and resolved queries.

****The named supplier chosen from the quotations should be the one used. If the supplier changes, for any reason, between Application and Grant Claim, the new supplier quotation will be required, and a justification of change provided. Any reduction in costs, from that which was originally quoted, may reduce your grant amount.***

4.3 Grant Panel Decision

The Grants Panel is made up of members spanning the South East Local Enterprise Partnership (SELEP) region. The panel is responsible for making decisions on grant applications on the basis of the details supplied within the Grant Application Assessment.

The Panel's decision, which is final, will be relayed to applicants at the earliest opportunity. If your Grant Application is rejected by the Panel, an explanation will be provided. Please note, there is no right of appeal against the Panel's decision, however, an SME may make another Grant Application, if the first is refused, providing the reason for refusal is not based on the basic eligibility of the business.

4.4 Offer Letter & Funding Agreement

If your grant is approved, you will be sent a notification via email initially, advising of the grant approval date, total eligible project costs, and the maximum grant amount agreed. We will also attach an information and advice document, indicating some basic 'dos and don'ts'.

A formal Offer Pack will be sent out as soon as possible after the Panel's decision which will include:

- Offer Letter;
 - Confirmation of grant approval, and amount
 - Breakdown of eligible expenditure, and amounts
 - Action points
 - Outputs and Timescales
- Grant Funding Agreement
- Grant Funding Agreement Schedules;
 - Bank Details Form
 - Monitoring Information Requirements
 - State Aid Declaration
 - Diversity Monitoring
 - VAT Declaration Form
 - Job Creation Commitment (if required)
 - New to firm Product/Service Aims (if required)
 - Copy of Grant Application
- State Aid Notification Letter;
 - Total value of proposed State Aid (in both € and £)
- Any other relevant documents.

The Grant Funding Agreement and Schedules form a legal Agreement, and you should ensure you read and understand the content. If you are prepared to accept the grant and conditions, a copy of the Agreement documents should be signed in accordance with your business' usual signing arrangements, and returned by post to the Economic Development Department at Southend-on-Sea Borough Council within 2 weeks of the date on the Offer Letter.

4.5 Make Purchase & Claim Grant

Following notification from a SEBB Grants Officer of your grant approval date, you may begin eligible spend. This is, however, subject to the acceptable return of the signed Grant Funding Agreement documents.

Please note: any costs relating to your proposal that have already been commissioned, paid for in full, or in part, or otherwise definitely initiated before this date will not be eligible for inclusion. **It is very important to make your purchases only after grant approval.**

All grant-agreed project purchases should be made **within 4-weeks** of the Funding Agreement date.

In your claim form, which will be supplied by Southend-on-Sea Borough Council (SBC), you will be asked to provide a breakdown of eligible expenditure incurred. You must also provide supporting documentary evidence, such as certified copies of invoices and corresponding bank statements confirming payment, to support your claim.

The invoices supplied must clearly relate to the details shown on the bank statement - this includes matching the payee names and amounts. This can be problematic when dealing with eBay seller names and PayPal account names, as they do not always correspond.

Please do not use eBay/PayPal for purchases, unless you are 100% certain this can be evidenced by the business, and fully reconciled, as it will affect our ability to make a grant payment.

4.6 Submit Monitoring Forms

Once you have made your purchases, you may also be asked to provide additional evidence, as outlined in your Funding Agreement. This could include; the creation of new jobs, introduction of new products/services, and further details of any supported assets with a value in excess of £1,000.

You will be reimbursed an agreed grant amount by SBC as soon as we have received all the documents required to complete your claim. Failure to supply all required information will result in a delay in payment.

You must keep a satisfactory record of all your expenditure and other evidence, in line with EU regulations. The SEBB Programme reserves the right to visit any grant recipient to ensure that the grant has been used for the purpose intended, as stated in the Grant Funding Agreement. Grant recipients are obliged to cooperate with this process.

GOOD LUCK WITH YOUR APPLICATION

WITH OUR THANKS

**The SEBB Programme Management Team
Southend on Sea Borough Council, Civic Centre, Victoria Avenue, Southend on Sea,
Essex SS2 6ER**