

## Invest4 Business Growth Grants

### Application information and Guidelines

Please read these guidelines carefully as they will help you to complete the application form and increase your chances of getting a grant.

If your application form is inaccurate or incomplete you will be contacted by the team for the missing information and there will be a delay in getting your application to the panel.

If you need any clarification on the guidelines please contact the Grant Fund Manager, Neil Clarke, at [invest4@brighton-hove.gov.uk](mailto:invest4@brighton-hove.gov.uk)

#### 1 Overview

The **Invest4** Business Growth Grants are funded by the European Regional Development Fund (ERDF). The fund will provide up to 40% toward your business investment. We are accepting applications for grants of between £1,500 and £170,000, (capital or revenue). These grants are for businesses that have identified or secured funds to invest in their own business growth and are able to evidence that they have the 60% necessary to obtain an **Invest4** grant.

**Example:**

A business has a project to buy a new machine at a cost of £50,000. The new machine will create an increase in orders and, due to the increase the business will also require two new team members.

The Business can apply for a grant of up to 40% of the costs of the machine. This is £20,000. The remaining £30,000 is called match funding and must be provided by the business through other eligible means.

#### 2 Eligibility

***Established businesses***

This grant is open to trading businesses, (including not-for-profit organisations and charities with a trading arm) based in the Coast to Capital area, which covers Greater Brighton City Region, West Sussex and East Surrey [Coast to Capital Local Enterprise area](#)

This is a grant for businesses with less than 250 employees, less than £30m on their balance sheet and, less than £40m turnover.

The grant exists to support business resilience and growth. The growth and resilience measures must include one or more of the following measures:

- job creation
- increase in turnover, productivity or profitability
- introducing new products or services to the market or business.

### ***New businesses***

If your business is a start-up or has been trading for less than one year, you will need to demonstrate market need through a strong and realistic business plan, (a business plan template will be provided if you do not have one) and a cashflow forecast.

As a business that is a start-up or has been trading for less than one year you will be asked to complete the start-up business application form.

## **2.1 Excluded Business Sectors**

This grant is for trading businesses only, therefore charities and not-for-profits that do not have a trading arm cannot apply.

Other business types ineligible for the fund include:

- Fishery and Aquaculture
- Processing and marketing of agricultural products
- Coal, steel, and shipbuilding
- Synthetic fibres
- School age education
- Banking and insurance
- Primary production
- Retail shops
- A business or parent business with more than 250 employees
- A business or parent business with more than £30m on their balance sheet
- A business or parent business with a turnover of more than £40m

**This list is not exhaustive, if you are unsure please contact the Invest4 team**

## **2.2 What the Invest4 grants may be used for:**

You can use an **Invest4** grant for the following:

- to pay for equipment and machinery
- consultancy services
- premises improvements
- new IT systems or IT system upgrades.
- to move all or part of your business online
- Web site improvement or launches
- Leadership and Management development

We can only accept one grant application per business; however, you can apply for a grant to cover more than one project; for example, a grant for leadership and management coaching and a grant to invest in a new piece of equipment, as long as they are both linked to business growth

**This list is not exhaustive, if you are unsure please contact the Invest4 team**

## 2.3 What the Invest4 grant fund cannot be used for:

<ul style="list-style-type: none"> <li>• Depreciation</li> <li>• Repayment of debts</li> <li>• Gifts and donations</li> <li>• Land purchases</li> <li>• Internal transfers</li> <li>• Wages</li> <li>• Stock and consumables</li> <li>• Digital advertising</li> </ul>	<ul style="list-style-type: none"> <li>• General running costs of the business</li> <li>• Previously incurred expenses</li> <li>• Working capital</li> <li>• Asset purchase using asset finance</li> <li>• Planning permission</li> <li>• Legal expenses/fees</li> <li>• General business set up costs</li> <li>• VAT costs</li> </ul>
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This list is not exhaustive, if you are unsure please contact the Invest4 team

## 3 Match funding the Invest4 Grant

The **Invest4** Business Growth Grants can contribute up to 40% toward your business investment. You will have to provide the other 60% of the total project cost which is known as match funding

You can use any of the following as match funding:

- Retained profits
- Government Bounce Back loan
- Covid related government grants
- Bank loan
- Director savings
- Innovate UK grant
- Any other non-EU government grant

You will be asked to state where the match funds are coming from and provide evidence.

The **Invest4** grant fund is part of the European Regional Development Fund. As this is public funding it is seen as a fund of 'last resort'. You will be asked to explain what alternative funding sources you have investigated and why they were rejected in favour of applying for the **Invest4** grant; for example, the bank repayment terms or equity requirements.

**Note: The grant is paid in arrears on completion of the project once we have received evidence that the full cost of the items has left your account**

## 4 The application forms

If you are a business trading for more than one year, please complete an Invest4 Grant application form. [www.brighton-hove.gov.uk/invest4](http://www.brighton-hove.gov.uk/invest4)

If you are a start-up business or a business operating for less than 12 months, please complete an Invest4 New Business application form. [www.brighton-hove.gov.uk/invest4](http://www.brighton-hove.gov.uk/invest4)

## 4.1 Documents to upload in support of your application

The application will ask you to submit documents in support of your application; please ensure that you submit the correct documentation indicated on the form which is based upon the size of the grant that you are seeking.

Along with the application form you will be asked to submit or provide one or more of the following pieces of information:

Document	Why we need it
<b>Business plan</b>	<p>A business plan helps the panel to understand what your business is aiming to achieve in the short medium and long term. It should help to explain why the product or service is required and how the grant will contribute to the future growth and resilience of the business</p> <p>If you do not have a business plan, a two-page business plan template will be provided.</p> <p><b>Note: Business plans are mandatory for start-up applications and for businesses that have been trading for less than 12 months and for applications for grants of over £40,000</b></p> <p>Although not required for grant applications of between £5,000 and £39,000, having a business plan will help the panel in determining your businesses suitability for a grant and will therefore improve your chances of grant approval.</p>
<b>Cashflow forecast</b>	<p>A 12-month cashflow forecast will show how the grant will be used and how the business is managing its money including the Invest4 grant income, expenditure, costs and expected profit</p>
<b>Certificate of incorporation (if applicable)</b>	<p>If your company is registered at Companies House, you will be issued with a certificate of incorporation and a number confirming that your company exists legally and is permitted to trade.</p> <p>You will be asked to supply your companies house number.</p>
<b>Letter of self-registration for self-employment (if applicable)</b>	<p>As a sole trader you need to be registered with HMRC for self-assessment and you will be given a reference number called a UTR</p> <p>You will be asked to provide your self-assessment number. (If you are unsure about your UTR please leave this blank and the team will discuss this with you)</p>
<b>Full set of accounts for the last two years</b>	<p>These may be audited accounts or management accounts relating to the business that you are seeking a grant for, i.e., the business name on the application form must be the same as the business name on the accounts that are submitted. Please ensure these are full set of accounts that show your turnover and profit</p> <p>If your business is less than two years old, we will accept management accounts for one full year.</p>

<p><b>Quotes for the items or services that you wish to purchase</b></p>	<p>The maximum number of items that we will accept for grants under £5,000 is five. Each of these items need to have a quote. Include copies of quotes on headed paper or equivalent, that clearly shows name, address and website of the supplier. (please ensure quotes have a minimum value of £100).</p> <p>As a general rule, the maximum number of items we will accept for grants over £5,000 is 10; however, if your grant is at the upper end of the award level then we will discuss and agree the maximum number of items with you.</p> <p>Items of £25,000 and over require three quotes per item; spend of £25,000 or more with one supplier requires three quotes</p> <p>VAT cannot be claimed against the Invest4 grant</p> <p>You will be asked to label each quote with a reference number for ease of identification</p> <p><b>Note: Grants cannot be given to contracts agreed before the date on the signed and dated grant fund agreement.</b></p>
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**NOTE: Grant fund agreements will only be made through a legal business structure such as a limited company or a sole trader. Grants will not be awarded to individuals or paid into personal bank accounts.**

Grant applications of £40,000 and above will be subject to a third-party Due Diligence review. This will be commissioned by the Invest4 team, there will be no cost to you. Due diligence is an appraisal of a business to establish its assets, liabilities and assess its commercial potential; it will also assess eligibility for the grant fund.

As the grant is financed from public funds the council is obliged to carry out such checks as are necessary to determine the financial probity of the business.

## 4.2 State Aid

State Aid conditions apply to the Invest4 Grant The maximum amount of state aid a business can receive in a rolling three basis is approximately £170,000.

State aid is deemed as state funded business support and state funded grants. For example, support and grants received from Innovate UK, Department for International Trade or through a business support programme such as LOCASE or RISE. Please note that not all Covid grant support (such a furlough) is deemed as state aid.

For full information on de minimis state aid please click here.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/15277/National\\_State\\_Aid\\_Law\\_Requirements.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/15277/National_State_Aid_Law_Requirements.pdf)

### 4.3 The process of approval

Once we receive your application form and supporting documents we will: -

- Review the application form for missing information and contact you if necessary
- Check the legal status of your business
- Ensure that the business meets the eligibility criteria
- Establish why the grant is required
- Review the supporting documentation
- Conduct a financial review of the accounts and cashflow forecast
- Establish the source of the match funding
- Confirm that other realistic funding options including your existing bank have been explored
- For grants under £40,000 complete the Due diligence checklist
- For grants over £40,000 refer the application for external due diligence

Once these checks have been undertaken your application, supporting documentation and the Due Diligence report will be referred to the Grant Panel for decision.

### 4.4 The panel

***For grants of less than £40,000*** the Invest4 Grant Fund Panel comprises:

- Invest4 Grant Fund Team Member,
- Programme Manager,
- Senior Accountant,
- Member of Senior Management at Brighton and Hove City Council, or University of Chichester,

This panel meets every two weeks or more frequently depending on the number of applications. The assessment of grants under £5,000 will take place more frequently.

***For grants of £40,000 and over*** the Invest4 Grant Panel will comprise the above panel along with:

- at least one external, independent panel member from the business community
- the external due diligence provider

This panel will be convened when large grants come forward and are deemed ready for review by the panel.

### 4.5 Panel decisions

#### ***Approvals:***

On reviewing your application, the panel may give an outright decision to approve. The approval will be confirmed by the Invest4 team and you will be sent a Grant agreement which you will need to sign and return before confirming any contracts or making any purchases.

#### ***Approvals subject to further information:***

The panel may give approval subject to receiving additional information (which will be specified). In this case once the Invest4 team has received the requested information it will be sent on to the panel for consideration and sign off. Once approval is confirmed you will be sent a Grant agreement which you will need to sign and return before confirming any contracts or making any purchases.

***Rejections with invitation to re-apply:***

If the panel rejects your application, you may be offered the opportunity to resubmit your application at a later date. For example, the panel may suggest that you seek additional business support in developing your idea and completing the application. In this case, we will write to you to confirm the panel's decision and your application will be held on file. No further action will be taken unless you choose to re-submit an improved application at a later date, in which case your original application will be given to the panel by way of background when your new application is being considered.

***Outright rejections:***

If the panel rejects your application and does not invite you to re-submit at a later date, then no further action will be taken, and we will write to you stating the reasons why your application has been rejected

***Appeals***

If you are unhappy with the grant panel decision please contact the **Invest4** Grant Fund Manager, Neil Clarke – [Invest4@brighton-hove.gov.uk](mailto:Invest4@brighton-hove.gov.uk) in the first instance to discuss your application. He will explain why you were not successful and how we can support you if you wish to re-submit.

If you want to go through the appeals process, please ask for the appeals process documents.

## 4.6 Getting Your Grant

Once the grant fund agreement is signed and returned by you, you will receive a successful applicant pack consisting of information and guidance on keeping evidence and making a claim. **The most important things to remember are:**

- Funding can only be claimed for purchases made after the Grant Funding Agreement has been signed and returned to you.
- Funding can only be paid on items included in your original application which will be detailed in your grant fund agreement
- Payment will only be made on items purchased from the Company Business Bank Account.
- Payment will not be made on items purchased from eBay or using PayPal (or similar) due to audit requirements.
- Your grant agreement will include the deadline for making the claim. As a general rule for grants less than £5,000 this will be two months and grants over £5,000 this will be three months
- For longer term services such as IT consultancy or subscriptions which can be for a maximum of 12 months or by the project end date, whichever is soonest, but you can only claim the grant after the final payment has been made to the provider.

**Claims must be made within the time period on your claim form, or you risk your grant payment being voided**

## 4.7 Payment

The grant is paid in arrears on completion of the project. The claim guidance will explain what evidence you will be required to provide in order to claim the 40% **Invest4** grant.

Supporting evidence will include financial records for purchases and payments and records for new staff employed.



Payment will only be made to Business Bank Accounts.

## 4.8 Monitoring and auditing

We will keep in contact with you following your grant award to provide advice and support in making a claim. This may include visits to your premises, online meetings or phone calls.

As this is public funding the project may be subject to audit and you may be contacted by the project team or a third-party organisation as part of the audit and asked to provide information about your business and the grant award.

Auditing may be carried out by the University of Chichester, the Ministry of Housing, Communities and Local Government (The Managing Authority), a representative from the European Union or Brighton & Hove City Council.

**Note: The potential latest date of auditing will be December 2033. All paperwork relating to the Grant you receive must be retained until this date unless you are informed otherwise.**

You will be notified by us if an audit is underway.

## 4.9 Returning a grant award (clawback)

A request to return a grant is very unlikely. The **Invest4** team will provide you with guidance on eligible expenditure and claims; this is to minimise the chances of the claim being found ineligible at a later date. Clawback of funds from businesses is very rare and is mainly linked to the fund conditions not being complied with.

Applicants should note the guidance regarding open and fair procurement.

## 5 Open and Fair Procurement

All procurement made under any the European Regional Development funded programme must be carried out in a fair and open way. This is good financial practice.

**It is the responsibility of the grant fund recipient to comply to these procurement requirements.**

**[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/917826/ESIF-GN-1-001 ESIF National Procurement Requirements v7.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/917826/ESIF-GN-1-001_ESIF_National_Procurement_Requirements_v7.pdf)**

**If you have any questions then please contact the Invest4 Grant Fund Manager, Neil Clarke - [invest4@brighton-hove.gov.uk](mailto:invest4@brighton-hove.gov.uk)**

In summary:

- For items of expenditure of up to £25,000 you can procure on one quote
- For items of over £25,000, or when you are procuring more than one item from the same company for a total value over £25,000 follow the guidance in particular chapter 6.
- Include copies of quotes on headed paper (please ensure quotes have a minimum value of £100) or equivalent showing the name and address and website of the supplier or a screen grab showing the same information.
- When sending in your Grant Application. Please label the quotations with the relevant Item Reference. This must show the supplier, name, item, and cost and be the same item as on the application form.



- For items over £25,000 please specify why your choice of the three is 'best value', by showing how it was scored against the criteria.
- All quotes should be in pounds sterling  
Where expenses are for 'one of a kind' purchases, the Programme will still require comparable quotations to evidence best value. Where this is the case, we will accept quotations/estimates for similar products/expenses, alongside an explanation of choice.

## 6 The benefits of the Invest4 grant

The **Invest4** grant fund has already provided businesses with funds to pay for a range of items and services such as, a marketing campaign for new outdoor rooms/ offices; a new lathe to increase production, machinery for a brewery, offboard motor for a new boat to increase training capacity, and IT services to move products online.

If your project is approved, we may contact you to help promote the grant programme as a case study.