



**NORWICH**  
City Council

# Norwich City Council Business Growth Grant Scheme

Version 1.0 14/10/2021

# Business Growth Grant Scheme

## Introduction

This scheme provides grants for businesses to allow them to strengthen their existing position or expand into new markets following the Covid-19 pandemic. The grant is available to micro, small and medium enterprises (SMEs) who are located in Norwich and now have plans for a project that will facilitate business growth.

To be eligible, businesses will need to evidence they have been trading prior to 1 April 2021 and can demonstrate the need for support to enable their business to adapt and grow.

Grants between £500 and £10,000 are available with the fund contributing up to 50% of eligible project costs (exclusive of VAT where the business is VAT registered). The applicant will need to fund the balance of the project (minimum 50%).

Businesses must apply for, and receive approval of, the grant before any work is undertaken. The grant cannot be used for any costs committed or incurred before the grant is approved.

The scheme will close to new applications no later than 31 January 2022 with all approved purchases and/or works to be completed before 18 March 2022. Awards will be subject to sufficient funding being available and the scheme may close earlier if the fund is fully committed

## Eligibility

Businesses must:

- have been registered as trading since 1 April 2021 (e.g. with HMRC or Companies House) and are able to provide at least six months trading figures.
- employ fewer than 250 people
- be carrying out works relevant to a registered business located in within the Norwich City Council area
- be actively trading in Norwich (usually this will be from a fixed premises but we will accept applications from mobile businesses who mainly trade in Norwich)
- provide quotes for items being claimed
- define how the project will enable the business to grow
- not be in administration, nor insolvent and not be subject to a Striking Off Notice
- not have exceeded the permitted Subsidy limit (previously known as State Aid) in terms of support already received.

Payment of grants under this scheme are at the discretion of Norwich City Council.

There is no right of appeal against a decision of the council to pay, or not to pay, an award from this grant scheme.

## The scope

The grant will provide up to 50% funding towards improvements that will enable the business to grow. Examples of initiatives the scheme will support include:

- Acquisition of plant, machinery, tooling
- Property improvements e.g. shop front refurbishments, renovations to bring unusable space back into use, improvements to disabled facilities or access
- IT or digital hardware e.g. card payment facilities, wi-fi provision for customers (excluding computers, laptops, tablets, mobile phones etc.)
- Initiatives that promote improvements to community space and facilities

*Please note that before undertaking building works or large installations, especially in cases where your property is listed, regulatory permissions must be obtained before work takes place. By completing an application, you are confirming you have sought all necessary planning permissions and that any other permits and licenses to operate are in place. Details of [whether planning permission is required](#) and [licensing requirements](#) are available on our website.*

Only one grant can be applied for and issued per business or organisation.

The Council reserves the right to exercise discretion in determining eligibility under the criteria of the scheme.

The Council does not accept any liability for any issues arising for businesses due to applying for, receiving, or not receiving grants under this scheme.

## **Applications**

Applications can be made up to 31 January 2022, subject to sufficient funding being available, with all payments being made no later than 18 March 2022. Norwich City Council reserves the right to close the scheme to new applications earlier than 31 January 2022 should demand on the scheme near funding limits.

Applications must be made via the council's website. The following information will be required to complete the application:

- Company number (if applicable)
- VAT registration number (if applicable)
- National Insurance Number (if applicable)
- If trading as a Sole Trader or Unincorporated Partnership, proof of trading with UTR (Unique Tax Reference) number and start date will be required.
- A full business bank statement that clearly shows your account name, sort code, account number and business transactions
- Quotes for each element of your application, for items over £1,000 we will require 3 or more comparable quotes
- Evidence of your trading over the past 6 months

Applicants will need to provide a supporting statement detailing what the business plans to do (the project) and how the project will help the business strengthen and grow.

Applications will be dealt with in the order that they are received; priority will be given to projects that:

- enable the creation of permanent new jobs
- enhance energy efficiency and carbon reduction
- advance the city's arts, culture and heritage offer
- promote healthy living through physical activity

## **Exclusions**

This scheme is intended to support business growth, not business as usual activity. The following expenditure types, while not exhaustive, cannot be included in an application:

- Repayment of debts
- Land/property purchases inc. rental payments and deposits
- Direct staff costs e.g. salaries/wages
- Stock and consumables

- General running costs of the business or working capital
- Professional fees
- Repairs & renewals including like for like replacement of plant & equipment
- Lease or rental costs
- Vehicles and highly portable equipment (inc. laptops/phones/tablets)
- Training, research & development
- Goods or services purchased, or works that have commenced, before a written formal grant offer has been made

### **Assessment and project monitoring**

Successful applicants will be notified via email. The email will act as the authority to proceed with the project and will confirm:

- The amount of grant you have been offered
- The conditions of the offer i.e. the agreed purchases and works to be completed
- The deadline for works to be completed and the grant paid
- The evidence you must supply once works are complete to facilitate the grant payment
- Contact details for any queries while the project is being completed

Grants will be paid as a one-off payment, once the council is satisfied the project has been completed in line with the approved application.

Applicants must not make cash payments to suppliers unless express, prior written permission is received from the council. Any unauthorised cash purchases will be removed from the award and could invalidate the grant.

Grants can only be claimed against total eligible costs – i.e. applicants must ensure the goods and services claimed match those described in the grant acceptance email.

Providers of goods and services should not be a linked enterprise, a family member or associate. Inspections will be made to ensure compliance.

Norwich City Council reserves the right to request that grant recipients provide updates on the project to monitor benefits the scheme has delivered. Examples of the information requested will include, but not be limited to details of:

- The impact that the grant has made
- Whether the business is continuing to trade
- Any positive case studies that can be used by the council

If the grant application is successful the applicant agrees to remain trading within the district for at least 12 months. The council reserves the right to seek repayment of part or all of the grant if this condition is not met.

The Council reserves the right to visit any grant recipient to ensure that the funds have been used in line with the award.

Grant income received by a business is taxable. This funding comes from the Additional Restrictions Grant (ARG) and will be subject to tax as applicable. The [Government's ARG Guidance](#) provides further information that you should ensure you are aware of.

Norwich City Council will not accept deliberate manipulation and fraud. Any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to recovery, as may any grants paid in error.

## **Subsidy (formerly State Aid)**

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. This does not impact the limited circumstances in which State Aid rules still apply under the Withdrawal Agreement, specifically Article 10 of the Northern Ireland Protocol. 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 2021 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.

There are three subsidy allowances for this scheme set out below: Small Amounts of Financial Assistance Allowance, the COVID-19 Business Grant Allowance and the COVID-19 Business Grant Special Allowance.

### Small Amounts of Financial Assistance Allowance

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.

### COVID-19 Business Grant Allowance

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.

### COVID-19 Business Grant Special Allowance

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.

Undertaking in difficulty

'Undertaking in difficulty' means an undertaking in respect of which at least one of the following circumstances occurs:

(a) In the case of a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purposes of this provision, 'share capital' includes, where relevant, any share premium.

(b) In the case of a company where at least some members have unlimited liability for the debt of the company (other than an SME that has been in existence for less than three years) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.

(c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria for being placed in collective insolvency proceedings at the request of its creditors.

(d) Where the undertaking has received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has received restructuring aid and is still subject to a restructuring plan.

(e) In the case of an undertaking that is not an SME, where, for the past two years:

- (1) the undertaking's book debt to equity ratio has been greater than 7.5 and
- (2) the undertaking's EBITDA interest coverage ratio has been below 1.0.