

# The Scottish Borders Business Fund 2019-20

## Financial Assistance for Small Businesses

*The Scottish Borders Business Fund is supported by the European Regional Development Fund. The involvement of EU funding should be properly acknowledged by the recipient in any marketing and publicity material (print and online) relating to this project.*

## GUIDANCE FOR APPLICANTS

### 1. What is the Scottish Borders Business Fund?

The Scottish Borders Business Fund (SBBF) offers a discretionary grant of up to a maximum of £4,000 to support businesses. It operates on a match funding basis which means that the amount of public sector support is limited to up to 50% of the total eligible project costs.

### 2. What is the purpose of this Scottish Borders Council grant scheme?

The SBBF grant scheme aims to respond to barriers of access to finance and provide small businesses with financial assistance to develop projects that would not otherwise happen without a grant from Scottish Borders Council.

### 3. Who will manage the Scheme?

The fund will be managed and marketed by Scottish Borders Council, through the Business Gateway. A Business Gateway Adviser will be allocated to enquiries and be available to provide business development support along with advice on how to complete the application form but will not complete the application form, Business Plan or Cash Flow on behalf of applying businesses.

### 4. How will it work?

- Initial grant enquiries should be made to [info@bgborders.com](mailto:info@bgborders.com) or **01835 818226**.
- You will receive a copy of the fund's guidance notes along with an **Expression of Interest** (EOI) form. *This initial form gathers outline details of your proposed project and will be submitted to Business Gateway as an early expression of interest. This will ensure you are allocated to an appropriate adviser.*

**Your completed Expression of Interest form should be submitted to [info@bgborders.com](mailto:info@bgborders.com) or posted back to**

Business Gateway, Unit 205, Heart of Hawick, Kirkstile, HAWICK TD9 0AE  
Tel: 01835 818226 Email: [info@bgborders.com](mailto:info@bgborders.com) Email: [info@bgborders.com](mailto:info@bgborders.com)

- Your EOI will be logged, allocated a fund reference id, acknowledged and referred to an adviser.
- Your adviser will then review the EOI form you have submitted to the Council and if necessary refer this to the funding panel for clarification on eligibility of your project.
- You will receive feedback from your EOI, and will be sent an application form if necessary, and will also be provided with business plan and cashflow projection templates if you require these.
- It is anticipated that applicants will complete the application form in advance of a meeting/discussion with a Business Gateway Adviser. Depending on your application, this contact will either involve a telephone interview or face-to-face meeting. You will be asked a number of questions about your project, and the cashflow projections.
- Following this process **you will submit your final application for the fund to Business Gateway** which will then be appraised by the Business Gateway adviser team.

- Appraised applications will then be sent by Business Gateway to a Funding Panel comprising of Scottish Borders Council officers from the Economic Development and Finance Teams.

If your application is successful, you will receive a formal written offer of grant and be provided with information on how to proceed. At an agreed period after award of a grant, you will be contacted by Council and/ or Business Gateway representatives in order to assess how the project has progressed and the impact of the grant award. You may be asked to participate in further evaluation and publicity activities.

If your application is unsuccessful, you will receive a formal written notice of decline. General reasons for decline will be provided but detailed feedback will not be made available. There is no right of appeal and the decision of the panel is final.

### **5. How much money is available?**

The Council may provide funds of up to 50% of project costs to a maximum of £4,000 contribution. This means that if a business has a project that is estimated to cost £8,000, the Council could provide up to £4,000 assuming all eligibility criteria are met and that no other public sector funding is being used.

### **6. What are the criteria that I need to meet?**

Certain conditions will be attached to any grants disbursed:

- an applicant must commit to discussing all other funding options for a project with a Business Gateway Adviser. In particular the Business Gateway Adviser will ensure that other forms of financial support that are available to firms operating in certain sectors are fully explored to ensure that the most appropriate mix of funding is used.
- the spend must be clearly demonstrated within a Business Plan and be communicated in your application. Therefore an applicant will provide copies of 2-year business plans and/or latest set of audited accounts and will be asked to complete 2-year cash flow projections illustrating how the grant will be spent. The level of information we require will be proportionate to the size of grant applied for;
- an applicant must confirm that the planned activity would not proceed or would be significantly delayed and/or reduced in scale without grant support;
- an applicant must provide evidence of a link between the activity being funded and improved performance of the business. Business Gateway Advisers will be looking for evidence on how the project (and grant award) could result in improved sales and/or profitability;
- payment of the grant must be linked to formal estimates of/orders for expenditure and will only be paid for items and purposes set out in the original application;
- quotations / estimates must be provided for all items within the application, however any single item in excess of £1,000 must have 2 independent quotes;
- any grant provided would become repayable if a business relocates from the Scottish Borders within three years of receiving a grant;
- local 'displacement' arises when assistance is given to one business, which results in an unfair advantage and/ or potentially displaces business from similar one(s) locally. Applicants must be able to demonstrate that displacement is not an issue in relation to project for which funding is being sought (e.g. majority of customers originate from outside the Borders).

*All funding is discretionary and limited to one grant per applicant/ business in 2019-20.*

### **7. What type of business can apply?**

Both start-up and existing companies can apply for assistance. While companies across sectors will be eligible to apply, we anticipate bids from companies in the textiles, tourism, food and drink, tradable services<sup>1</sup> and some retail. **Applications from companies that sell a proportion of their goods or services to customers from outside the Scottish Borders are desirable.**

Businesses employing more than the equivalent of 49 full time employees may not be eligible for grant funding but will be directed to other forms of financial support provided by other organisations where appropriate. 49 full time equivalent employees may be comprised of more than 49 employees who work on a part time basis. Applicants are advised to check with SBC.

***Under State Aid de minimis rules, aid cannot be provided to agriculture and fisheries.***

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<sup>1</sup> The term 'tradable services' refers to any services that are capable of being imported and exported, and can generate foreign exchange revenues. In some cases, for example tourism and hospitality, they may be purchased locally.

## **8. What type of projects do you anticipate will be funded?**

General areas of support will include:

- Market development costs, including marketing implementation costs;
- Introduction of new business processes including ICT infrastructure;
- Contribution towards essential capital expenditure that will offer improved efficiency and capacity;
- Support for new products or services being introduced to market;
- Training – if you have made a capital investment in new plant, equipment, software or production processes you may be able to get support for providing employee training although internal staff and training costs are not eligible.

The types of project likely to attract grant support include IT development, e-commerce activity and/ or product/ process improvement.

Grant assistance cannot cover the VAT element of the cost of goods/ services.

Running costs and general overheads, travel and subsistence costs, routine repairs and maintenance, work undertaken to meet statutory requirements, stock and vehicles, consumables, and office equipment such as personal computers, iPads, and cameras, are not eligible costs.

Any work undertaken or committed before the date of offer of grant will not be eligible.

## **9. What happens when a grant is approved?**

You will be advised on the outcome of the application. If successful, the applicant has 14 working days to provide us with written confirmation that you wish to accept the grant. Projects should be completed and fully expended within a six- month period from the date on Scottish Borders Council's letter of approval. During that time, the applicant can make two separate claims for grant.

## **10. My project has changed – will this affect my grant?**

**Grants will only be provided for the expenditure detailed on the application form.**

All project expenditure should be made through legitimate suppliers who can provide tax receipts. The applicant will be required to provide bank statements detailing payments. With this in mind, all payments to suppliers must be made through the company's business bank account - payments made by cash will not be accepted. The sale or disposal of any equipment purchased or provided with the assistance of the Council, must not be undertaken without prior written approval from the Council. If the project involves the implementation of software with the applicant's business, proof of legal ownership of the software will be required.

## **11. How will the information I provide be used?**

The information supplied must be available for inspection by officers of Business Gateway and officers on the Funding Panel appointed by Scottish Borders Council, either prior to or after the grant has been allocated as required. We will also require copies of all receipts applicable to the grant and you will also be expected to produce on request any relevant information. The financial information you provide will be used to inform assessment of your application and for monitoring purposes after an award is made.

**If you are seeking assistance to develop or diversify into new markets, a copy of any marketing plan should also be submitted.**

Applicants should note that Scottish Borders Council may undertake credit checks including Business Rates and Council Tax arrears – by signing an application you are agreeing to this undertaking.

You may be requested to participate in any publicity in relation to the scheme.

Scottish Borders Council reserves the right to amend, suspend or withdraw the Scottish Borders Business Fund at any time. All grant support is subject to funding availability at the time of application.

Further details also available at: [www.scotborders.gov.uk/businessfund](http://www.scotborders.gov.uk/businessfund)

You can get this document on tape, in large print, and various other formats by contacting Scottish Borders Council on [business@scotborders.gov.uk](mailto:business@scotborders.gov.uk). For language translations, additional copies or to arrange for an officer to meet to explain any areas of the publication that you would like clarified, please also contact the same address.