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## **WORCESTER CITY COUNCIL BUSINESS START UP GRANT Guidance Notes and Eligibility Criteria**

**Please read all sections of these guidance notes before filling in an application form.**

### **Scheme Administration**

The Economic Development team will administer the grant on behalf of Worcester City Council.

This project is funded by the UK Government through the UK Shared Prosperity Fund. The Business Start up Grant is part of Worcester City Council's allocation of £2.96m.

### **Scheme Aims**

The aim of the scheme is to support new businesses to start up and grow in Worcester City by providing grants and access to a fully funded support package of business advice. The scheme will encourage the occupation of vacant commercial premises, help regenerate neighbourhoods, stimulate entrepreneurship, create new jobs and enhance the sustainability of new businesses.

### **Overview of the scheme**

Pre-start businesses and new businesses, that have been trading less than 12 months, which are located within Worcester City can apply for a grant of up to £1500. Only one grant is available per business or applicant.

Funding is limited and applications which meet one or more of the social, economic and environmental impacts will be prioritised:

- Job creation (in addition to the applicant)
- Safeguarding jobs (in addition to the applicant)
- Occupancy of vacant commercial premises
- Expansion and/or investment in current commercial premises
- Spend with local businesses – grant expenditure and/or ongoing business expenditure
- Increase opportunities to supply local businesses or consumers
- Supporting the business's environmental sustainability e.g. energy efficiency improvements

The grant must be match-funded, pound for pound (at least), from the business's own resources.

### **Criteria for eligibility**

- The business must be based within Worcester City (this must be the address from which the business operates, not simply the registered address).
- The business must be either pre-start up or within its first year of trading when the grant is applied for.





- One grant *per business* only will be awarded. Applicants, or businesses which the applicant has owned or been a partner/director of, and which have received a Worcester City Council start up grant or Enterprising Worcestershire start up grant within the last 3 years, will not be eligible.
- The business must have the ability to make a 'cash' match funding contribution of at least 50% towards the costs of the proposed project/investment. This must come from their own resources - other publicly funded grants or loans are not eligible as match funding.
- Comparable quotes for each item that you intend to purchase with the grant money must be submitted:
  - Item value < £1,000: 1 quote
  - Item value £1,000 - £5,000: 2 quotes
  - Item value > £5,000: 3 quotesOne of the quotes must be from the supplier the applicant intends to use for that item. All quotes must be in £ sterling. Calculation of the grant offer will be based on the lowest priced quote.
- Items purchased or purchases initiated (e.g. orders placed) prior to the date of the grant offer letter will not be eligible for the grant.
- The applicant must hold a business bank account in the name of the business (a 'trading as' account is acceptable). Applicants can apply for the Business start up grant before the business bank account is set up. However, the account must be set up before the grant is paid.
- The applicant must have received business start up advice. This can either be through the [Enterprising Worcestershire scheme](#), if eligible, or other organisations e.g. Princes Trust, banks.
- The applicant must have a business plan (with a cash flow forecast).
- The applicant must have all the necessary permissions and licenses to operate the business (these include [planning permission](#) for change of use of premises and/or proposed building works, [listed building consent](#), [building regulations](#), [advertising consent](#) for signage, [licencing](#) as applicable/necessary for the business and proposed changes that are subject to the grant aided works) – checks may be carried out to confirm this and we will advise if further information is required. The business must also hold public liability insurance (if the business does not have the necessary permissions and licences to operate the business or hold public liability insurance at the time of application, then these must be obtained before the grant is paid).
- The applicant must hold a business rates account for the property, even if they are exempt from paying rates (unless the landlord is responsible for business rates). Checks may be carried out to confirm this and we will advise if further information is required.



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- The business must create employment of 30 hours or more per week for the applicant unless there is a valid reason for not doing so (e.g. the applicant is physically unable to work 30 hours a week).
- The applicant must give consent for Worcester City Council to involve the business in publicity, e.g. press releases and photographs.
- The applicant must agree to take part in any monitoring and produce relevant information as requested at 6, 12 and 18 months after the grant is paid and provide feedback for programme evaluation and development if requested.
- Applicants must comply with subsidy control rules. This means that any support and grants received from a public organisation over the last 3 years must be declared on the application form. Businesses will not be eligible for the Worcester City Council growth grant if the value of the support and grants exceed the Minimum Financial Assistance (MFA) threshold of £315,000 (this applies at company group level).
- The applicant must not have any other outstanding debts payable to Worcester City Council e.g. Business Rates, Council Tax. (Checks will be made).
- Retrospective applications will not be considered.

### **Amount of Grant and Eligible Expenditure**

Businesses can apply for a grant of up to **£1500**. The grant must be match-funded, pound for pound (at least), from the business's own resources.

Eligible expenditure can be defined as expenditure, where the benefits last more than 12 months and include: equipment, machinery, building works, fixtures and fittings, electrical appliances, website construction, logo design, software, and other similar one-off items to help start a business. Associated training costs may also be eligible, along with costs of initial stock and marketing to launch the business.

The grant may not be used for:

- Recurring revenue costs (including: salaries, stock, rent, utility charges, subscriptions, etc).
- Legal and other professional fees.
- Repaying existing loans or debts.
- The reimbursement of goods/services already purchased prior to the date of an offer letter.
- Items subject to hire/lease agreements
- Activities that may bring Worcester City Council into disrepute

The grant payment will only be made on production of relevant receipted invoices.

### **Availability of Grant**

All grants are made at the discretion of Worcester City Council subject to availability of funding.

Grants will be limited to one per business and applications will be considered on a first-come, first-served basis.



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## Application Process

All applicants are required to complete the online application form and submit the following documents:

- Evidence of business address – documentation which shows the address of where the business operates from e.g. bank statement for the bank account used for the business, rental agreement, recent rent invoice, utility statement, business rates statement, council tax statement (if business operates from home address)
- Sole traders/partnerships – correspondence from HMRC to verify the Unique Tax Reference
- Business plan with cashflow forecast. We can provide a business plan template if required.
- Comparable quotes for each item that you intend to purchase with the grant money:
  - Item value < £1,000: 1 quote
  - Item value £1,000 - £5,000: 2 quotes
  - Item value > £5,000: 3 quotes
- Copy of public liability insurance certificate (if available at time of application)
- Other documents relevant to the set up/operation of your business.

When completing your application form, you will need to show:

- How your new business/start up investment meets one or more of the social, economic and environmental impacts (see scheme overview)
- Why you need the grant to start up or develop during the 1<sup>st</sup> year of trading

## Assessing the application

Completed applications will be assessed by the Economic Development Officer who will check eligibility and the extent to which they meet the aims of the scheme. A decision will be made to:

- Offer a grant.
- Request further information from the applicant.
- Reject the application.

Each application will be judged on its own merits with regard to how well it meets the scheme's aims and eligibility criteria and its ability to be implemented within the set timescales. Worcester City Council will not enter into a commitment until the formal acceptance of the offer of the grant (this will be subject to the terms and conditions of the scheme).

## Decision on application

Notification of decision on the application will be made in writing to the applicant. An offer of grant will be made by a grant offer letter, which will specify:

- i) The eligible applicant
- ii) The eligible goods/services to be accessed/purchased
- iii) The approved cost calculated in accordance with the lowest quotation submitted with the application
- iv) The eligible expenditure
- v) The maximum amount of grant awarded
- vi) Any special conditions which must be completed before payment of the grant e.g. evidence of planning consent, licence, registration for business rates, insurance.
- vii) The date by which the grant claim should be submitted



All decisions of Worcester City Council are final.

## The offer of grant

An offer of grant must be accepted within 21 days of receipt of the grant offer letter by returning a copy signed by the applicant. After this date the offer will be automatically withdrawn. The applicant will then have to re-apply if they still wish to proceed after this date.

## The grant aided works

1. The grant is not retrospective and therefore, cannot be used for the reimbursement of goods/services already purchased or initiated before the date of the offer letter.
2. No grant aided work is to be carried out other than in accordance with the agreed project outlined in the application and as agreed in the offer letter.
3. Worcester City Council must be notified immediately of any variations needed to the agreed offer and before any variation to the application takes place.
4. Variations to the agreement must be approved in writing prior to such work commencing. Worcester City Council reserves the right to refuse the grant for changes to the specification which it deems not appropriate for the scheme.
5. Where the applicant proposes to change supplier of goods/services, Worcester City Council reserves the right to request fresh estimates if not already received.
6. Approved schemes must be completed by the date specified in the offer letter unless agreed otherwise by Worcester City Council. The applicant must inform Worcester City Council immediately if the deadline cannot be met. Worcester City Council will then consider the most appropriate action but is under no obligation to alter the conditions in the original offer letter and therefore no obligation to offer assistance for works undertaken after the original deadline date.

## Payment of grant

1. Grants are discretionary and Worcester City Council reserves the right to withhold payment of the grant in whole or part if any condition of the offer letter has been breached.
2. The applicant must inform Worcester City Council upon completion of the works.
3. The applicant must submit the claim (including receipted invoices) for grant assistance by the date stated in the offer letter.
4. Payment will be subject to the applicant having satisfactorily completed the project, complied with all terms and conditions of the scheme and any special conditions set out in the grant offer letter.
5. If the actual costs are less than those outlined in the application and agreed in the offer letter, payment will be calculated on the lesser of £1500 or 50% of the actual amount in accordance with the receipted invoices.
6. Payment of the grant will only be made when Worcester City Council receives copies of paid invoices for the approved grant from the applicant. Invoices dated before the date of the offer letter will not be eligible for payment.
7. If the costs of the proposed project exceed the amount stated in the application, Worcester City Council is not obliged to increase the grant amount.
8. Payment of the grant will be made into the applicant's business bank account (or 'trading as' account) via BACS.
9. **Please note:** The Local Government Transparency Code requires Local Government to publish the payments that they make. As part of our commitment to providing financial transparency, Worcester City Council will publish individual payments with a value of £250 and over on our website. You will be required to state the name you wish to appear on the council website



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(e.g. your trading name; your name; or “small business owner”) when you accept the grant offer.

## **VAT**

Applicants who are VAT registered will have their grant assessed on the net cost of eligible projects; non-registered applicants on the gross cost. If the applicant does not know whether they are VAT registered or not they must seek advice from HM Revenue & Customs.

## **Debt**

A check will be made to ascertain whether the applicant has any outstanding debts owed to Worcester City Council, such as Business Rates or Council Tax. If it is found that such debts exist, Worcester City Council reserves the right to withhold grant payment until such debts are cleared

## **Worcester City Council liability**

Worcester City Council, its officers and agents shall not at any time be held liable to any person in relation to any loss or damage arising, either directly or indirectly, as a result of compliance by the applicant with these terms and conditions of grant.

Award of the grant does not imply that Worcester City Council is expressing a view regarding the business or its products/services nor that it accepts responsibility for any debts, or liabilities incurred by the applicant or the business.

## **Repayment of grant**

Worcester City Council reserves the right to recover all or part of the grant it has provided if:

- The applicant is found to have improperly tried to influence the decision of any officer or Elected Member of Worcester City Council in the award of a grant.
- The proposed business does not start trading
- The business is sold or ceases to trade for whatever reason within a 12 month period from receipt of the grant
- The business relocates outside the boundaries of Worcester City Council within a 12 month period from receipt of the grant.
- Information provided in the application form or other correspondence is found to be substantially incorrect, misleading or incomplete.



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## Data Sharing

Worcester City Council, in partnership with Worcestershire County Council and the other Worcestershire District Councils, use a shared Customer Relationship Management (CRM) database which helps us to monitor and record business enquiries including grant applications. It also helps us target services and products that you might be interested in such as grants, funding and business support. The CRM database is shared with Worcestershire , Herefordshire & Worcestershire Chamber of Commerce and Worcestershire Local Enterprise Partnership.

We will hold, process and store your information in accordance with Data Protection Law.

For further information please visit our [Privacy Notice](#)

**If you need further advice regarding the grant, please contact the Economic Development Team on 01905 722106 or email: [economy@worcester.gov.uk](mailto:economy@worcester.gov.uk)**

