

# East Sussex County Council

## Business Growth Funding

### East Sussex Invest 6

The **East Sussex Invest 6** fund is an East Sussex County Council (ESCC) and Regional Growth Fund (RGF) programme to support the local economy and create jobs. It is delivered by the County Council in partnership with Locate East Sussex (LES).

*The fund offers grants and loans to businesses and start-ups for capital investment to stimulate business growth and job creation in the county.*

**Grants from £10k to £25k.** Grant funding requires minimum match funding of 60% and is usually awarded in combination with a loan.

**Loans from £10k to £200k.** Loans require minimum match funding of 50% and have an arrangement fee of £400 (under £20k) or £500 (over £20k) which is paid to Let's Do Business Group.

There is an additional grant of £1.5k for a **new accredited apprentice** position. This is a one off payment with no match or evidence of spend required; It is limited to one per successful application.

#### Criteria

- Micro, Small and Medium (SME) businesses (under 250 employees), and start-ups.
- Charities and Social Enterprises are eligible if more than 50% of their turnover is from trading.
- Capital expenditure items only are eligible, these include: building works to upgrade or extend the premises, fixtures and fittings, machinery, equipment, software (purchase and development), marketing drives, targeted consultancy, specialist training. Excludes property or land acquisition and all revenue.
- Ratio of **grant funds** to jobs created is **£5k - £8k per job created**. This sum can be higher for businesses in the target sectors (see below).
- Ratio of **loan funds** to jobs created is **£16k per job created**.
- Jobs must be full or part-time permanent contracts. A full-time job must be a minimum of 30 hours per week. Two p/t jobs can count as one FTE job. Apprenticeship positions do not count as jobs created.
- State aid sector\*\*restrictions apply, see below.
- Education, Healthcare and Residential Care services are excluded.

- This fund will not support the displacement of jobs or businesses therefore local retail and service sector funding will *normally* be restricted to a maximum loan of £20,000 or £10,000 grant.
- Priority growth\* sectors as identified in the East Sussex Growth Strategy are targeted and prioritised. (see below for details).

### **Payment conditions**

- 50% of grant will be paid on evidence of spend and 50% on evidence of jobs created and filled for 3 months. This can be done in a number of tranche payments.
- The Loan payment can be drawn down either on evidence of spend to the value of the loan and evidence of match available or in the cases of large building works the signing of a construction contract and evidence of start on site. This is usually made in a single payment.
- Maximum loan period 5 years.
- Interest rate of up to 5% decided on a case by case basis as recommended by the panel.
- In exceptional circumstances up to 6 months repayment holiday may be offered.
- Retrospective funding is NOT allowed (for funding or match)
- The contracts include a claw back element on a sliding scale to cover instances of contract deviation or instances where a beneficiary moves the business out of East Sussex or there is a transfer of control or ownership.

### **Funding process**

- To check eligibility for funding and to request an application form email your contact details to Locate East Sussex at [enquiries@locateeastsussex.org.uk](mailto:enquiries@locateeastsussex.org.uk).
- All applications for funding must be submitted by email to the ESCC Business Funding Team 14 working days before the quarterly panel meetings with supporting documentation to - [economicintervention.fund@eastsussex.gov.uk](mailto:economicintervention.fund@eastsussex.gov.uk).
- Panel meetings are held early in March, June, September and December. Contact Locate East Sussex for precise dates.
- Permission for credit checks must be given and will be carried out prior to appraisal.
- Incomplete or unsigned application forms will not be accepted for appraisal; this includes all required supporting documents and evidence.
- Applications will be appraised by ESCC Business Funding Team and considered by the ESCC Grants and Loans panel. Businesses applying for over £20k may be required to present their project to the panel.
- The panel recommendations are sent to the Director of Communities Economy and Transport for approval. Successful applicants will receive an offer letter by email; this date is deemed to be the 'Offer Date' from which all qualifying spend is eligible; it is also the date at which the exchange rate with the Euro is taken in cases where State-aid is applicable.
- Unsuccessful applicants will be notified and a rationale for rejection given. There is no appeals process but applicants can re-apply if they address the reasons given for rejection. All qualifying

ESCC business funding applications are subject to Panel recommendations and Director level approval.

- Following approval the Business Funding team will draw up a funding contract for signing. From offer date to signed contract takes between 3 and 6 weeks after which claims can be made.
- A separate loan agreement will be drawn up between the Lets Do Business Group (LDBG) and the beneficiary reflecting the terms in the contract. Loan claims are made to the Business Funding Team who will instruct LDBG when the funding conditions have been met to authorise payment.
- All loan payments will be made by and to the Lets Do Business Group who are the County Council's loan management organisation for this fund.
- Grant claims are made on claim forms accompanied by supporting evidence and an invoice all of which must be emailed to the Business Funding team.
- Grant payment will be made in a minimum of two tranches by ESCC. The first on evidence of eligible spend up to 50% of the funding and subsequent claim(s) with evidence of the new jobs created and filled for 3 months plus evidence of eligible spend of remaining required funding including match funding. Details may vary as long as agreed in the contract or with the Business Funding team.

### **Apprentices**

An additional £1,500 grant can be claimed if a successful applicant takes on an accredited apprentice who remains in post for 6 months (requires evidence that the appointment was made after the Offer Date). The grant does not require match and is a one-off payment without restrictions. This option is only open to businesses that receive funding from ESI6 and is restricted to one apprentice per business.

### **\* Priority Sectors**

- Land-Management –e.g. developing specialist, high added-value food and drink production, including brewing and viticulture.
- Digital and media - in particular digital-related innovation, telehealth and telecare.
- Advanced Manufacturing
- Advanced Materials & Electronic Systems
- Low carbon & environmental goods and services

### **\*\* Sectoral restrictions**

European State Aid rules restrict firms active in the following sectors:

- Fisheries and aquaculture (Maximum Euros 30,000 support)
- Primary production processing and marketing of agricultural products
- Coal, steel production, shipbuilding and synthetic fibres
- Road haulage sector, restrictions apply.

### **Local retail and other consumer services restricted to maximum £20k loan / £10k grant are:**

- Local consumer-type activities such as retail, personal services, leisure activities, restaurants and food and drink outlets and professional services.

For further information contact: [enquiries@Locateeastsussex.org.uk](mailto:enquiries@Locateeastsussex.org.uk)

Or [EconomicIntervention.fund@eastsussex.gov.uk](mailto:EconomicIntervention.fund@eastsussex.gov.uk)

