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GROWING PLACES FUND PROGRAMME GUIDANCE

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SECTION ONE – INTRODUCTION TO THE GROWING PLACES PROGRAMME FUND

1.1 INTRODUCTION TO THE GROWING PLACES FUND PROGRAMME

The Growing Places Programme Fund is a £3.25m business investment scheme aiming to provide capital grants and loans (please see separate guidance for loans) to SME businesses in Hull and East Yorkshire to support and incentivise business growth, investment, and job creation.

Grants of between £5,000 and £250,000 and/or loans of between £75,000 and typically up to £250,000 are available to eligible organisations that are able to demonstrate viability and may in turn contribute to the wider clean growth and carbon reduction targets of Hull and East Yorkshire.

Grants below the minimum threshold may be considered as an exceptional case. Grants in excess of the maximum threshold will not be considered, although loans may be.

Applicants may apply for either a grant or a loan. Large enterprises and those delivering projects with expected quick payback from e.g., installation of renewable/energy efficient technologies will in most cases be offered a loan in preference to a grant.

1.2 FUNDING CONDITIONS

The investment and associated outputs must be within the Local Authority areas of Hull & the East Riding of Yorkshire.

Before reading the rest of this document it is important to note the following:

- If work on a project has started (including if items have been ordered) then it is not eligible for financial support. Grant funding should be claimed for work undertaken after an application has been submitted and a written offer made.
- In exceptional circumstances work on the project may commence at the applicant's own risk and with the approval of the HEY Business, Growth & Skills Hub (HEY BGSH) once receipt of the full application with all supporting information has been acknowledged.

1.3 ELIGIBILITY

The following organisations may apply for funding:

- Businesses
- Charity / Third sector
- Community group / Organisation
- Public sector (if applying on behalf of an unincorporated organisation)

1.3.1 The investment and associated outputs must be within the Local Authority areas of Hull and the East Riding of Yorkshire.

1.3.2 Eligibility of any organisation is subject to UK Subsidy Control.

1.3.3 Applications must be made by an incorporated organisation with a legal personality and a bank account in the organisation's name. Applications may be made on behalf of a body or group that is not incorporated by one that is – e.g., a local authority, incorporated business, or registered charity.

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- 1.3.4 Businesses will normally be expected to be able to demonstrate at least 1 year of trading activity and be able to supply at least one set of accounts (preferably audited) at the time of applying.
- 1.3.5 New businesses and businesses that have been trading for less than 1 year may be considered by exception and will have a maximum grant cap of £20,000. Support will be subject to a review of previous trading history and experience.
- 1.3.6 Local service sectors such as retail (with the exception of wholesale/online retailers), hairdressers, caterers etc may be considered on a case-by-case basis for projects around community resilience and CO₂ reduction only.
- 1.3.7 Sectors such as hospitality or leisure may be considered on a case-by-case basis providing they are able to sufficiently demonstrate that displacement (where awarding a grant may disadvantage a business operating the same service within the same area) is not likely to be an issue.
- 1.3.8 Property development as a business activity is not a priority for funding. Funding will not be offered to support speculative development, however property development businesses seeking to implement energy efficiency/waste reduction/EV charge point infrastructure outcomes may be supported.
- 1.3.9 Businesses operating within the fisheries sector will only be eligible for funding if other sources of government grant support or subsidy are unavailable.
- 1.3.10 Businesses must have and be able to evidence a clear and legal ownership structure. Links to other enterprises through ownership or common Directors/shareholders will be considered in appraising the application and calculating the eligible grant.
- 1.3.11 We welcome applicants seeking capital investment in support of innovation or training of staff where a clear link can be demonstrated to capital investment and meeting the programme requirements for output delivery.
- 1.3.12 We encourage applications from businesses/organisations whose investment may result in the reduction of carbon emissions and other sources of waste as part of a wider business growth scheme.
- 1.3.13 Applicants will need to demonstrate that the business/organisation is managed in a robust and compliant manner, has ongoing financial stability, and can sustain the outputs of the investment.
- 1.3.14 Projects should be completed within the project completion date (as per Application Form) or by 31st March 2025, whichever is sooner. Significant concerns around delivery may result in the funding offer being withdrawn.
- 1.3.15 Further information about programme eligibility can be found in the Appendices.

1.4 PROJECT COSTS

Eligible project costs can include:

- Plant and machinery
- Equipment

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- Energy Technology Installations – where they relate to lower carbon/renewal only and are part of the justification for a wider project – i.e., that the cheaper electricity allows something to happen that would not be viable otherwise. There will be a preference for supporting those with longer-term payback (10yrs+). The Accountable Body reserves the right to take a charge on assets.
- Refurbishment, alterations and building works associated with the repurposing or extension of premises.
- ICT – including specialist software and website development where the primary purpose is to create an additional sales platform.
- Transport and vehicles are generally not eligible for support, except where the purchase of these is tied to a specific business proposition and advancing community resilience. For example, eligible vehicles might include community access cycles or an electric services van.

This is not an exhaustive list – if in doubt, please check with the programme Delivery Team or your Business Advisor

Non-eligible project costs include:

- Most activity associated with agricultural products and those identified as such within Annex I of the European Treaty (See Annex C)
- Costs associated with marketing, promotion, and sales (including signage and branding)
- Revenue costs such as working capital, rental payments, overheads, consumables, salaries, recruitment, and essential maintenance.
- General IT software such as Microsoft Office packages and renewal of software licenses
- Any costs for which you have secured or will be able to claim another form of public funding. This could include the installation of a form of energy generation for which you expect to receive feed-in tariffs.
- Any costs incurred prior to application receipt.

Further information about items that are not eligible for funding can be found at Annex B. If in doubt, please seek advice from the Programme Delivery Team

Property purchases, while broadly eligible for support, are not a priority for the grant programme but a loan may be considered in exceptional cases. If a business wishes to expand through the purchase of premises, they will normally be expected to fund the purchase through other means.

Property refurbishments and alterations may be funded with the aid of a grant, only where they are essential to the Company's plan for business growth and linked to the capital investment.

Assets must be purchased from third parties under market conditions. This can include assets acquired from other companies within the same company group if the assets are independently valued.

The investment must be retained in the Hull and East Yorkshire region for at least three years after the whole investment has been completed. Plant or equipment that has become out-dated due to rapid technological change may be replaced as long as the benefits associated with the investment are retained in the region for the minimum period.

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Quotes for all project costs are required to evidence the total eligible cost and calculate the eligible grant. To ensure that value for money is being obtained, ideally three quotes should be obtained for major purchases. It is not always necessary for the chosen supplier to be the cheapest if a higher quote can be demonstrated to provide better value for money.

Where assets are purchased in a currency other than Sterling, the grant awarded will reflect the exchange rate at the time the payment leaves the contracted applicant's bank account.

Items obtained under a financial lease arrangement are eligible as long as the lease contains an obligation to purchase the asset at the expiry of the term of the lease.

The assets acquired may be pre-owned, however, in the case of takeovers, assets which have already been purchased with grant aid are not eligible.

1.5 PROJECT OUTPUTS

1.5.1 NEW JOBS/SAFEGUARDED JOBS

- A. New direct jobs created as a result of investment must be created within one year of completing the investment and new/safeguarded jobs will represent a net increase in or maintenance of the number of employees in the establishment concerned, compared with the average over the previous twelve months.
- B. Safeguarded jobs must be satisfactorily evidenced as being at risk immediately prior to the investment. A clear link must be made between the investment and the safeguarding of jobs. A business investment will not normally be considered to safeguard all company jobs.
- C. Relocation projects will only qualify for support where the relocation increases net employment or safeguarding of roles
- D. Temporary construction jobs are not eligible unless the jobs can be sustained for the full 3-year period. Individual construction projects will not normally be assisted but a project to expand the workforce of a construction company on a permanent basis could potentially be supported.

1.5.2 COMMERCIAL FLOORSPACE CREATED

Commercial floorspace created may be new build, or a refurbishment and improvement of existing commercial floorspace, but must be accompanied by associated job creation within the recipient business.

1.6 PROJECT OUTCOMES

1.6.1 CO₂ REDUCTIONS

An appropriate methodology for counting CO₂ should be applied to provide an initial benchmark (current emissions status) and to measure reductions on an annual basis. Please seek advice if you are unsure about this. The programme will apply the central series of the Government's 2020 Carbon Values ([SME Carbon Footprint Calculator | The Carbon Trust](#)) in calculating the value of TCO_{2e} savings against funding awarded.

1.6.2 EV CHARGE POINTS

Applications to install EV charge points must have an accompanying rationale that explains the uptake and demonstrates consultation with the relevant local authority to ensure compliance with wider government strategy.

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1.6.3 OTHER OUTCOMES

Additional outcomes could include litres of water saved, kilowatt hours saved, waste material reused, waste diverted from landfill and measured, with an appropriate methodology.

1.7 ACQUISITION OF LAND/PROPERTY

- Purchases of property are not a priority for funding and will only be considered in very exceptional circumstances. The onus will be on the applicant to make a persuasive case for funding.
- In the case of acquisition of an establishment, only costs associated with buying from third parties will be eligible, and only where the transaction has taken place under market conditions, without the acquirer being in a position to exercise control on the seller, or vice versa. Where the acquisition is accompanied by other investment, the costs relating to the latter shall be added to the cost of the purchase.
- Where the land and/or buildings have not been acquired but leased, previously granted state aid does not have to be deducted for the expired part of the period over which the lease was capitalised.

1.8 LEGAL REQUIREMENTS

- If work on a project has started in advance of the application submission (including if items have been ordered) then it is not eligible for financial support. Funding should be claimed for work undertaken after an application has been submitted and an offer made.
- In exceptional circumstances work on the project may commence at the applicant's own risk and with the approval of the HEY Business, Growth & Skills Hub once receipt of the full application, with all supporting information, has been acknowledged.
- The company undertaking the investment project must be viable and the project must have a good chance of being self-sustaining by the completion of the investment. The onus will be on the applicant to demonstrate viability of the business and the project via the supporting information provided.
- The applicant must be able to demonstrate convincingly that funding is necessary for the project to go ahead or whether its quality, scale, timing, or location (or any combination of these factors) would justify the provision of assistance.
- Eligible project costs are exclusive of VAT and for the purpose of calculating the eligible grant are taken before any deduction of tax or other charge.

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1.9 INVESTMENT THRESHOLDS

The following investment thresholds will be applied subject to UK Subsidy Control:

| Enterprise | % of total project costs (intervention rate) |
|--|---|
| Large (249+ FTEs) Enterprise | Up to 10% |
| Medium (50 – 249 FTEs) Enterprise | Up to 20% |
| Small (10 – 49 FTEs) Enterprise | Up to 30% |
| Micro (Less than 10 FTEs) Enterprise/Community Groups | Up to 50% |
| Please be aware that the above percentages are at the discretion of the Investment Panel and subject to UK Subsidy Control. | |

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SECTION TWO – APPLICATION PROCESS

Please note that applying for a Growing Places Fund grant is a two-stage application process.

2.1 STAGE ONE - THE EXPRESSION OF INTEREST

- The Application Process begins with an Expression of Interest (EOI). This is a short form which broadly sets out your business and the project for which you are seeking funding. This will be subject to a basic gateway check to ensure that the business and project are eligible before an invitation to submit a full application is issued.
- If there are any questions regarding eligibility arising from the EOI, applicants will normally be given an opportunity to clarify before an application is rejected. In some cases where there are still questions, an applicant may be invited to submit a full application to provide more detail on which to base a decision.
- Projects that are broadly eligible will be invited to submit a full application and provide more detailed information about the business and the project. As applications are assessed on a first come, first served basis, in fairness to other applicants, an application form must be submitted by the set deadline.
- The full application, including supporting information, has been designed to provide all the information required to make an informed funding decision. Applicants should ensure that the information they provide is comprehensive and gives a good account of their plans. For reasons of practicality, applicants or their representatives will not normally be invited to meet directly with, or present their applications, to the Investment Panel.
- The application process timeframe will vary from applicant to applicant, however, as a rough guide applicants should allow approximately 1-2 months from Expression of Interest to decision. This is broken down into the following process stages:

| Stage | Timeframe | Notes |
|---|----------------|---|
| Expression of Interest | 1 day – 1 week | A decision on whether the EOI can be progressed to full application will normally be provided within a week of the submission and in many instances within a day or two. |
| Full Application | 1-2 months | Applicants will normally be given around a month to complete and submit their full application. Application deadlines are aligned to Investment Panel Meeting dates so late or incomplete submission may result in a delay for a decision of a month. |
| Appraisal | 1 month | One month is allowed to appraise the application. This allows for legal and financial checks, seeking clarifications and additional information from the applicant plus circulation to the Investment Panel one week in advance of the meeting. The primary aim is that the application to the Investment Panel for review is in the best possible shape for an informed decision to be made. Any outstanding issues are likely to result in a decision deferral. |
| Notification of Investment Panel Decision | 1 day – 1 week | The Investment Panel meets once a month to review funding applications. Applicants are normally notified of the decision within a week and in many instances within a day or two of the meeting having taken place. |

- Time and care are taken during the application process to reduce the risk of issues arising for either the applicant or the programme after contracting. While we recognise the desirability of a speedy decision and attempts will be made to process an application as quickly as possible, applicants should be mindful that rushing the process is likely to be counter-productive for all concerned.

- Applicants must ensure that the time taken to process the application and obtain a decision is not unnecessarily extended by ensuring that they have all the required information to hand before starting the application process and respond to requests for information in a timely manner.

2.2 COMPLETING THE EXPRESSION OF INTEREST (EOI)

- You should only submit your EOI on the appropriate form. The Blank EOI can be found on the HEY Business, Growth & Skills Hub Website.
- Your completed EOI should be submitted to funding@heybusinessgrowthskillshub.com
- You will normally be contacted by a member of the programme delivery team within a day or two of submitting your EOI inviting you to submit a full application, asking for further clarifications, or advising if and why it is not possible to progress to an application. In some circumstances holidays or sickness may increase the time taken to receive a response. However, if you do not receive an email within a week, please contact the HEY Business, Growth & Skills Hub on telephone number 07702 922864.
- If you are invited to submit a full application, you will be sent an application pack with full guidance and instructions.
- Included within your Application Pack will be contact details for one of our Growth Hub Business Advisors, who have a wealth of knowledge and business expertise, including providing free support for you to submit a successful application. Research suggests that working with our Business Advisors, improves your chances of being awarded a grant and we strongly recommended that you avail yourself of their expertise.

2.3 STAGE TWO – COMPLETING THE APPLICATION PACK

When completing your Application Form, please refer to Programme Guidance.

All of the information asked for is key to the consideration of your application, and in completing the application you should be as thorough and comprehensive as possible.

The accuracy of the following areas is particularly important so please consider these before starting the application:

- **Total project cost**

This is based on the total cost of your submitted quotations. Please do not estimate or round the total amount as your grant will be calculated against actual quotations submitted.

- **Amount of grant requested**

We cannot consider grant requests that exceed the Investment Thresholds (as listed above). Your grant should fill a clear gap in your funding package. The Investment Panel will not necessarily award the amount you have requested.

- **Full description of your project**

This should be the full detail of your project – you may want to include what you are hoping to purchase/planning to undertake and what the effect of this purchase/project will be.

- **New jobs/Safeguarded Jobs**

Please be realistic about the number/types of jobs you can create or will safeguard. All roles should be sustained for three years from award of the grant.

- **Funding options**

The programme is intended to fill a gap in funding and therefore it is important that you show you have already explored other options before requesting a grant.

- **The necessity of a grant**

The grant is intended to enable, accelerate, or enhance a project so you should state clearly what effect **not** receiving a grant would have on the project.

- **The main risks to your project**

It is important that you consider all risks to the delivery of your project and show that you can take steps to mitigate them in order to ensure your project is delivered on time and within budget.

- **Planning permissions or other consent**

Waiting for planning or other consents can cause delays, so it is important that permissions are either already in place or that there is an evidenced expectation of them being granted imminently.

- **Funding breakdown**

You will need to show that all the rest of the money needed to undertake your project is confirmed from appropriate sources.

- **Declaration**

Please read and complete this carefully, particularly the sections about director/shareholder history. The programme delivery team will undertake basic background checks and any inconsistencies will be highlighted to the applicant.

The application is not complete until you have provided a range of supporting information, although this may vary depending on the type of organisation and nature of the application. Information requested will include:

- **Historic Accounts**

Should be supplied for the last three accounting periods and at least 1 set of accounts (draft as minimum) for trading businesses less than 1 year old – these should be unabridged and audited where available.

- **Management Accounts**

These will provide the most up to date financial information for your business since your last accounts, demonstrate appropriate fiscal management and help to interpret the financial forecasts.

- **Detailed financial forecasts**

(Cash flow, Profit and loss and Balance sheet) for the next full three years – these will help to demonstrate your business's growth and sustainability.

- **Relevant permissions**

This may also include things like landlord consent for works undertaken to leased premises. As previously noted, projects must be ready to deliver and there is a strong expectation that permissions will have been sought (and preferably acquired) before a funding application is submitted. Because of this, associated costs are not eligible for funding and should be covered by the applicant.

- **Funding has been secured**

E.g., bank loan facility confirmation, finance agreement, letter of commitment from company directors. Where the company is contributing funds, we require a signed letter confirming the allocation of the relevant funds to the project and will check this against your management accounts and forecasts. In the case of a private loan or Directors Loan, a signed letter of commitment and evidence that the funding has been transferred to the business bank account will be required.

- **Copies of quotations**

Ideally three for each significant purchase. Quotations are required to verify your project costs. If supplying more than one quote for a single item, please indicate clearly within the supporting information if you have a preferred

supplier. Likewise, if a quote provides costs for multiple options, please indicate clearly which the preferred option is. If this is not the cheapest quote, then you should also indicate why this choice has been made.

Once you have submitted the application you will receive a confirmation of receipt and may be contacted again for further information or clarifications once an appraisal of the application is underway.

The Application Form and associated documentation will be treated with the strictest of confidence. If you need assistance in completing the Application Form you can use your professional advisor/accountant and are strongly recommended to seek assistance from the Growth Hub (<https://heygrowthhub.com/>). You can also email the HEY Business, Growth & Skills Hub at funding@heybusinessgrowthskillshub.com

2.4 APPRAISAL AND DECISION MAKING

- In order for a project to be eligible for funding it must comply with the programme criteria in addition to UK Subsidy Control Rules. Meeting the criteria alone does not guarantee that an award will be made.
- The application will be appraised initially by members of the Programme Delivery Team and Accountable Body, then by the HEY Business, Growth & Skills Hub volunteer, private sector Investment Panel who will make the final decision.
- An assessment of the overall quality of the project will be undertaken to judge the level of

assistance that will deliver value for money for the programme. Quality factors considered include the number of direct outputs such as jobs or carbon savings, and the impact on productivity improvement or sustainability.

- The appraisal process does provide opportunities for the applicant to clarify any inconsistencies or areas where the application can be improved. However, to minimise delays in the appraisal process it is important to ensure that all required elements are in place before an application is submitted and that requests are responded to in a timely manner.

- If the application is complex, incomplete, requires additional due diligence or the applicant does not respond to requests for information in a timely manner, a decision may be delayed.
- Your application may be subject to a due diligence check and/or finance and legal checks which will normally be undertaken as part of the appraisal process but in some circumstances may take place after the Investment Panel meeting at the request of the Investment Panel and before a decision has been made. The cost

of any external due diligence will be met by Hull City Council, acting as the Accountable Body for the scheme.

- We will normally aim to advise you of the decision by email within 2 days of the Investment Panel meeting. Funding offers may be subject to some specific terms and conditions which will be highlighted at this point.
- Funding is awarded at the discretion of the Programme Delivery Team and HEY Business,

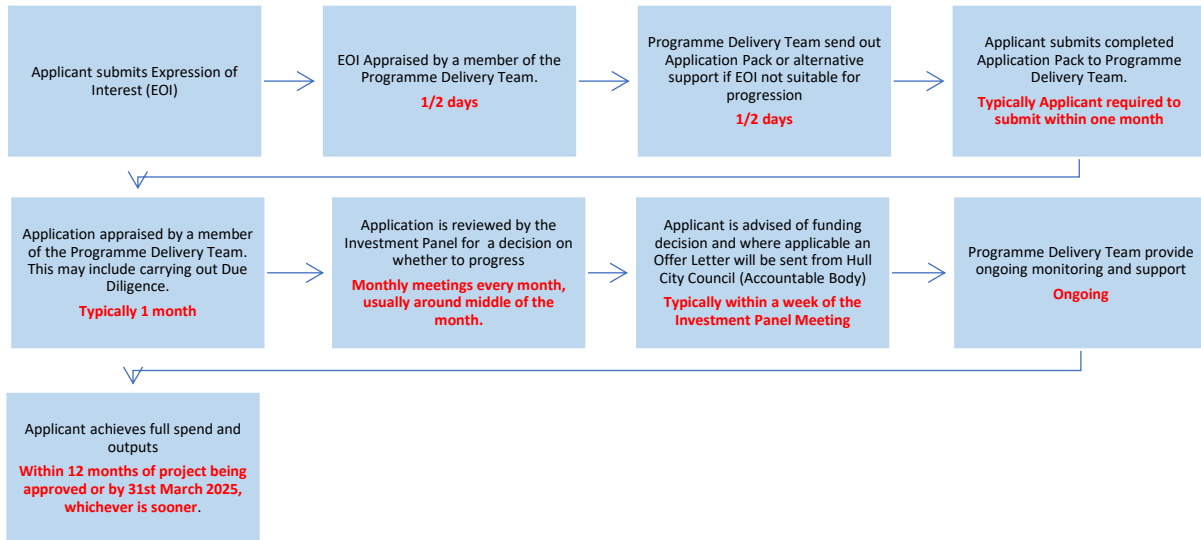
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SECTION TWO – APPLICATION PROCESS

Growth & Skills Hub Investment Panel and is subject to the availability of funds and the terms of the offer.

- A loan may be offered in place of a grant, particularly to large enterprises or projects that are likely to result in quick payback.

- If applicants are unhappy with their decision, they will be offered an opportunity to appeal.
- The decision-making process is illustrated below:



3.1 CONTRACTING

- Following the approval of a funding award by the Investment Panel, an offer letter will be sent to the successful applicant that clearly sets out the conditions of the offer. At this stage, a Monitoring Officer will be assigned to the project who will process grant claims and monitor the progress of the project.
- The Monitoring Officer will make contact to ensure that the implications of accepting the fund are fully understood and acknowledged.
- Successful applicants will have 2 weeks from receipt of the offer letter to contract or risk losing their award.
- The maximum amount payable for the support of the project will be fixed in the Offer Letter. Any minor changes to the project will require approval from the Programme Delivery Team.
- Any material change to the Project will require a formal project variation request and the approval of the Investment Panel

3.2 MAKING A CLAIM

- Grants are paid in arrears against proof of spend. Applicants must ensure that they have sufficient cash flow to make purchases in full ahead of drawing down the grant. Grants can be claimed in stages against expenditure incurred to date. It is not necessary to complete the entire investment before submitting a claim.
- Grant Claims will need to be accompanied by invoices and evidence of payment (for example bank statements). This should be provided in electronic format with original copies held by the beneficiary. This evidence may be verified by a monitoring visit.
- Where claims are made for items on a proportional basis, itemised records to demonstrate how the amounts that are eligible for grant funding relate to each of the original invoices and/or salary records should be provided.
- The total amount of grant payable will be either the maximum sum specified in the Funding Agreement, or (if less) an amount calculated by applying the relevant Investment Threshold to the actual eligible expenditure.
- The Investment Thresholds must be maintained throughout each claim.
- No payments will be made unless all funding conditions have been complied with
- No expenditure incurred before the start date indicated in the offer letter will be eligible for funding.

3.3 MONITORING AND EVALUATION

- Milestones agreed with the Monitoring Officer at contract stage, will be regularly reviewed to check whether there are any material changes, significant risks or issues that will affect the delivery.
- Progress reports will be necessary at the point of making a claim or by request. The completion of these progress updates is a conditional element of the funding and failure to supply them could result in a grant offer being revoked.

OFFICIAL SECTION THREE – NEXT STAGE IN THE PROCESS

- Progress monitoring/site inspection visits may be undertaken throughout the lifetime of the project. Reasonable notice will be given of these visits.
- Funding recipients must keep a record of all eligible expenditure (receipts, invoices etc.), quotes, tenders and procurement practices and all financial contributions made towards the Project.
- The Programme Delivery Team will need to see evidence of outputs. In the case of new jobs created or safeguarded, this should include redacted employment contracts.
- Recipients of Growing Place Funding are asked to support any evaluation of the programme by supplying case studies and participating in evaluation research as required.

3.4 PUBLICITY REQUIREMENTS

3.4.1 GENERAL

- All projects are asked to ensure that the contribution of the HEY Business, Growth & Skills Hub Growing Places Fund is appropriately recognised in all associated publicity, media, and physical signage (both temporary and permanent).
- To illustrate how funding has benefitted local businesses and to support our case for additional funding for the area, the HEY BGSB will be promoting projects funded with the support of the Growing Places Fund with MPs, local partners, and the public to ensure we can continue to support businesses.
- It is accepted that a grant recipient agrees to participate in any publicity or advertisements organised by the Programme Delivery Team.
- Recipients are asked support the Programme Delivery Team with any publicity or advertisements by contributing to the compilation of case studies, providing quotes, and supplying photographs to illustrate project progress.
- If the recipient does not wish to participate in any identified publicity or advertisement, they must discuss this with the Programme Delivery Team.

3.4.2 MEDIA RELEASES AND PUBLIC ANNOUNCEMENTS

- Press or media announcements should ensure that the source of funding is properly acknowledged within the first main paragraph and that any publicity requirements (including branding guidelines) are complied with. [*](#)

OFFICIAL SECTION THREE – NEXT STAGE IN THE PROCESS

- Funding recipients should not make any press or public announcement relating to the project or funding agreement without the approval of the HEY BGSB Programme Delivery Team. The Team will be happy to supply appropriate wording to explain the funding and to provide a Board or Investment Panel Member quote as required.

3.4.3 PLAQUES, BILLBOARDS AND OTHER PROMOTIONAL MATERIAL

- Where appropriate, it is expected that explanatory plaques, billboards, or other promotional material indicating support will be displayed at the site where the investment has been made.
- All artwork associated with such items should include the HEY BGSB logo in accordance with the relevant branding guidelines.

3.5 NON-COMPLIANCE

- Failure to comply with the terms of the funding, including monitoring and evaluation, could result in some or all of the grant monies being recovered.
- The Accountable Body or its representatives are entitled to interview employees of the Beneficiary if fraud or other financial irregularity is suspected on the part of the Beneficiary.
- The Beneficiary must not dispose of any interest in any Asset without knowledge of the Programme Delivery Team and the prior written consent of the Accountable Body for the period of three years from acquisition date. [*](#)

ANNEX A – DEFINITIONS

For the purpose of these Guidelines the following definitions shall apply:

A. **CONTROL** has the meaning set out in Article 3 of Council Regulation (EC) No 139/2004. Specifically, control shall be constituted by rights, contracts, or any other means which, either separately or in combination and having regard to considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by:

- ownership or the right to use all or part of the assets of an undertaking.
- rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking.

Control is acquired by persons or undertakings which:

- are holders of the rights or entitled to rights under the contracts concerned; or
- while not being holders of such rights or entitled to rights under such contracts, have the power to exercise the rights deriving there from.

B. **FIRM IN DIFFICULTY** means a firm that fulfils the following conditions:

- In the case of a limited liability company, where more than half of its registered capital has disappeared, and more than one quarter of that capital has been lost over the preceding 12 months.
- in the case of a company where at least some members have unlimited liability for the debt of the company, where more than half of its capital as shown in the company accounts has disappeared and more than one quarter of that capital has been lost over the preceding 12 months, or
- Whatever the type of company concerned, where it fulfils the criteria under domestic law for being the subject of collective insolvency proceedings.

C. **NUMBER OF EMPLOYEES** means the number of annual labour units (ALU) (full time equivalent (FTE) staff), namely the number of persons employed full time in one year, part-time and seasonal work being ALU fractions.

D. **JOB CREATION** means a net increase in the number of employees directly concerned with the activity to which the investment relates, including employment created, following an increase in the utilisation rate of the capacity created by the investment. The net increase is the increase in employment compared to the average number of employees over the previous 12 months.

E. **WAGE COST** means the total amount payable by the beneficiary of the aid in respect of the employment concerned, comprising:

- the gross wage, before tax, and
- the compulsory contributions, such as social security charges; and
- childcare and parent care costs. [*](#)

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- F. **SMALL AND MEDIUM-SIZED ENTERPRISES OR 'SME'** means undertakings fulfilling the criteria laid down in Annex B at the time that the grant is offered.
- G. **LARGE ENTERPRISES** means undertakings not fulfilling the criteria laid down in Annex B.
- H. **PROJECT COMPLETION** or the purposes of the Growing Places Fund, it is taken to mean the date three years after the final job output has been created.
- I. **TRANSPORT SECTOR.** For the purposes of the Growing Places Fund, it is taken to mean transport operators or carriers (bus operators, train operators, airlines, ship owners and operators, etc.) and transport network providers (e.g., rail networks, ports, and airports). The transport sector includes road haulage (though as a liberated sector it is excluded from benefiting from most forms of State Aid). For the purposes of State Aid, the transport sector does not include own transport, for example, where a supermarket carries its own goods by road in its own vehicles. It does not include freight forwarders, who merely organise shipments and warehouse goods, and it does not include vehicle, aircraft, rolling stock, ship, etc. manufacturers.
- J. **WORK COMMENCEMENT** means either the start of construction work or the first legally binding commitment to order equipment, excluding preliminary feasibility studies, whichever is earlier.
- K. **AGRICULTURAL PRODUCT** means:
- The products listed in Annex I of the Treaty, except fishery and aquaculture products covered by Regulation (EC) 1379/2013.
 - Products falling under 4502, 4503 and 4504 (cork products). Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000. A new list is provided in Annex 1.
 - Products intended to imitate or substitute milk and milk products, as referred to in Regulation (EC) As above repealed in 2013 EUR-Lex - 02013R1308-20211207 - EN - EUR-Lex (europa.eu). New 1308/2013

ANNEX B: MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

The definitions of micro, small and medium-sized enterprises are summarised as follows:

| Category | Headcount | Turnover | Balance Sheet Total |
|--------------|----------------|--------------------|---------------------|
| Medium Sized | Fewer than 250 | Not exceeding €50m | Not exceeding €43m |
| Small | Fewer than 50 | Not exceeding €10m | Not exceeding €10m |
| Micro | Fewer than 10 | Not exceeding €2m | Not exceeding €2m |

For the purposes of the programme, the SME must be an autonomous enterprise – i.e., not a partner with or linked to another enterprise (if in doubt seek advice from the Programme Delivery Team).

ENTERPRISE

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity.

Staff headcount and financial ceilings determining enterprise categories:

- The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding €50m, and/or an annual balance sheet total not exceeding €43m.
- Within the SME category, a small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed €10m.
- Within the SME category, a micro-enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed €2m. [*](#)

ANNEX C – INELIGIBLE ACTIVITY

The following activity is not eligible for funding and cannot be included in the total project costs:

- | | |
|---|--|
| <ul style="list-style-type: none"> ➤ Expenditure incurred on the project after the notified deadline or prior to acknowledgement of receipt of the full application. ➤ Costs incurred prior to the date of the Funding Agreement, unless agreed as part of the approval process. ➤ Overheads allocated or apportioned at rates materially in excess of those used for any similar ➤ Work carried out by the Beneficiary at anything other than base salary rate. ➤ Working capital ➤ Acquiring assets under a rental agreement where the applicant will not own the assets at the end of the agreed payment period. ➤ Acquiring assets for which additional public funding has also been secured or could be secured through payback schemes or similar. ➤ Costs associated with the preparation of the funding application, including but not confined to consultancy fees and planning application charges. ➤ Retained or deferred payments of project costs incurred beyond the programme timescales. ➤ Marketing and sales development related activity, including signage and branding. ➤ General administration costs ➤ Notional expenditure ➤ Payments for activity of a political nature | <ul style="list-style-type: none"> ➤ Depreciation, amortisation, and impairment of assets purchased with the help of the Grant. ➤ Provisions ➤ Contingent liabilities ➤ Contingencies ➤ Interest charges ➤ Service charges arising on finance leases, hire purchase and credit arrangements. ➤ Costs resulting from the deferral of payments to creditors. ➤ Costs involved in winding up a company. ➤ Payments for unfair dismissal ➤ Payments for un-funded pensions ➤ Compensation for loss of office ➤ Bad debts arising from loans to employees, proprietors, partners, directors, guarantors, shareholders, or a person connected with any of these: ➤ Payments for gifts and donations ➤ Entertainments ➤ Reclaimable VAT (if a Beneficiary which is not VAT registered at the time the Grant is awarded, registers for VAT during the lifetime of the Project or up to two years after receiving the final payment, they must notify the Council) Statutory fines and penalties. ➤ Criminal fines and damages ➤ Legal expenses in respect of litigation |
|---|--|

-
- | | |
|--|--|
| <ul style="list-style-type: none">➤ Expenditure on activities of an exclusively religious nature➤ Expenditure supported from other government sources, local authority grants, charges paid.➤ Any liability arising out of negligence. | <ul style="list-style-type: none">➤ Payments made in advance of need.➤ Any cost relating to insurance policies.➤ Expenditure incurred as a result of a Material Change which has not been approved by the Accountable Body.* <u> </u> |
|--|--|

ANNEX D: 'ANNEX I' AGRICULTURAL PRODUCTS

Under State Aid regulations, products listed under Annex I of the European Treaty were subject to funding restrictions and therefore previously not considered eligible for programme support. At the time of writing (January 2022) it is not yet clear what subsidies the Government will offer within the agricultural and fisheries sectors. In view of this delivery restrictions in relation to "Annex I" activity may be applied.

The following list contains descriptions of the agricultural products found in Annex I of the European Treaty:

| | |
|---|---|
| Live animals | Lard stearin, oleo stearin and tallow stearin, lard oil, oleo-oil, and tallow oil, not emulsified or mixed or prepared in any way |
| Meat and edible meat offal | Fats and oil, of fish and marine mammals, whether or not refined. |
| Fish, crustaceans, and molluscs | Fixed vegetable oils, fluid or solid, crude, refined or purified. |
| Dairy produce; birds' eggs; natural honey | Animal or vegetable fats and oils, hydrogenated, whether or not refined, but not further prepared. |
| Guts, bladders, and stomachs of animals (other than fish), whole and pieces thereof | Margarine, imitation lard, and other prepared edible fats |
| Animal products not elsewhere specified or included: dead animals of Chapter 1 or Chapter 3, unfit for human consumption. | Residues resulting from the treatment of fatty substances or animal or vegetable waxes. |
| Live trees and other plants; bulbs, roots, and the like, cut flowers and ornamental foliage. | Preparations of meat, of fish, of crustaceans or molluscs |
| Edible vegetables and certain roots and tubers | Beet sugar and cane sugar, solid |
| Edible fruit and nuts; peel of melons or citrus fruit | Other sugars; sugar syrups; artificial honey (whether or not mixed with natural honey); caramel. |
| Coffee, tea, and spices, excluding maté (heading No 09.03) | Molasses, whether or not decolourised. |
| Cereals | Flavoured or coloured sugars, syrups, and molasses, but not including fruit juices containing added sugar in any proportion. |
| Products of the milling industry; malt and starches; gluten; inulin | Cocoa beans, whole or broken, raw or roasted. |
| Oil seeds and oleaginous fruit; miscellaneous grains, seeds, and fruit, industrial and medical plants, straw, and fodder | Cocoa shells, husks, skins, and waste |
| Pectin | Preparations of vegetables, fruit, or other parts of plants |
| Lard and other rendered pig fat; rendered poultry fat. | Grape must, in fermentation or with fermentation arrested otherwise than by the addition of alcohol* |
| Un-rendered fats of bovine cattle, sheep, or goats; tallow (including 'premier jus') produced from those fats. | |

Wine of fresh grapes; grape must with fermentation arrested by the addition of alcohol.

Other fermented beverages (for example, cider, perry and mead)

Ethyl alcohol or neutral spirits, whether or not denatured, of any strength, obtained from agricultural products listed in Annex I to the Treaty, excluding liqueurs and other spirituous beverages and compound alcoholic preparations (known as 'concentrated extracts') for the manufacture of beverages.

Vinegar and substitutes for vinegar

Residues and waste from the food industries; prepared animal fodder

Unmanufactured tobacco, tobacco refuse

Natural cork, unworked, crushed, granulated, or ground, waste cork.

Flax, raw, or processed but not spun; flax tow and waste (including pulled or garneted rags)

True hemp (*Cannabis sativa*), raw or processed but not spun; tow and waste of true hemp (including pulled or garneted rags or ropes)

NON- "ANNEX I" PRODUCTS

It is not possible to provide an exclusive definition of the term "non-Annex I goods" since it represents all goods not listed in Annex I of the Treaty of Rome i.e., those which are made by processing the agricultural products listed in the basic agricultural product Regulations. Thus, it covers the vast majority of manufactured foods. As a general guide the term can be taken to include:

ready meals
bakery products
flavoured yoghurts
frozen sweet corn
margarine (some)
sugar confectionery
chocolate confectionery
malt extract
pasta
breakfast cereals
ice cream
mineral water
spirits

bread
biscuits
sandwiches
snack products
frozen desserts
pizzas
potato crisps
tinned sweet corn
peanut butter
sauces
soups
soft drinks
beer

EXCEPTIONS

The following processed foods are specifically excepted from the term "Non-Annex I goods":

Goods covered by the processed fruit and vegetable regime e.g., orange juice, tomato paste.

First stage processed products listed in the Annex I regimes e.g., cheese, jam, flour.

*

ANNEX E: APPLICATION READINESS CHECKLIST

The following is intended to provide an at a glance indication of whether you are ready to submit the application:

| | |
|---|--------------------------|
| My business/organisation meets the required criteria for consideration | <input type="checkbox"/> |
| The project for which I require funding is eligible for support and meets the required criteria for funding. | <input type="checkbox"/> |
| I have obtained all the quotations needed to verify the cost of the project | <input type="checkbox"/> |
| The amount of grant I am requesting is: | <input type="checkbox"/> |
| <ul style="list-style-type: none"> • not higher than the appropriate intervention rate for the size and location of my business/organisation | <input type="checkbox"/> |
| <ul style="list-style-type: none"> • not higher than the level and amount available from the programme | <input type="checkbox"/> |
| <ul style="list-style-type: none"> • not available through other means | <input type="checkbox"/> |
| <ul style="list-style-type: none"> • required to meet a gap in the funding package in order to undertake, enhance or accelerate the project | <input type="checkbox"/> |
| All relevant permissions are in place and I am able to supply the appropriate supporting documents | <input type="checkbox"/> |
| My project will be delivered within the programme timescales | <input type="checkbox"/> |
| My project delivers tangible outputs and clear benefits in line with the programme requirements. | <input type="checkbox"/> |
| The business/organisation has sufficient cash flow to make and evidence purchases before claiming any funding | <input type="checkbox"/> |

If you are not confident that you can say 'yes' to any of the above, you are advised to seek support from your own Business Advisor, your local Business Support Advisor or the Programme Delivery Team.

*

ANNEX F: SOURCES OF FREE ADVICE AND SUPPORT WITH THE APPLICATION

HEY BUSINESS, GROWTH & SKILLS HUB

If you have any questions about the funding and application process, please contact the Programme Delivery Team on 07702 922864 or email funding@heybusinessgrowthskillshub.com

GROWTH HUB ADVISORS

For additional advice and help with completing the application or preparing the supporting documentation, you are recommended to contact the Growth Hub. An advisor will be allocated to you who can support and advise you with the application.

HULL GROWTH HUB BUSINESS SUPPORT ADVISORS

Kevin Cassidy

Telephone: 01482 615388 or 07706737421

Email: Kevin.Cassidy@hullcc.gov.uk .

Lewis Symonds

Telephone: 01482 616947

Email: lewis.symonds2@hullcc.gov.uk

EAST RIDING OF YORKSHIRE GROWTH HUB BUSINESS SUPPORT ADVISORS

Chris Moore (Driffield area)

Telephone: 01377 240940 or 07833 740200

Email: Christopher.moore@eastriding.gov.uk

Darren Roberts (Beverley area)

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[*](#)

ⁱ The [*](#) through the document will take you back to the front page.
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