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| **Growing Hull and East Yorkshire – Business Investment Grants** |
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| **Programme Overview** |
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**Introduction**

The aim of the Hull & East Yorkshire (HEY) LEP’s Growing Hull and East Yorkshire programme is to help grow the economy which has been disadvantaged through the impact of job losses within both the public and private sector. The prime objective of the programme is to achieve sustainable jobs by incentivising investment in existing business.

The key priorities will be to support the expansion, modernisation and diversification of businesses located in the Hull and East Yorkshire area.

This document is intended to provide a quick overview only and should be read in conjunction with the detailed Programme Guidance which provides comprehensive information in relation to the terms and conditions of the funding.

**Eligible Businesses**

To be eligible for funding, businesses must be:

* Legally constituted
* A micro, small or medium enterprise
* Located in or locating to the Hull and East Yorkshire areas.
* A financially viable business that has been trading for at least 12 months (new businesses may be considered by exception).
* A business with a geographically broad (beyond the Hull & East Yorkshire area) customer and competitor base
* Not operating in an EC restricted sector

**Micro Small and Medium Sized Enterprises**

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

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| --- | --- | --- | --- | --- |
| **Category** | **Headcount** | **Turnover** | **or** | **Balance Sheet Total** |
| Medium  | 50 - 249 | Not exceeding €50m |  | Not exceeding€43m |
| Small | 10 - 49 | Not exceeding €10m |  | Not exceeding €10m |
| Micro | 1-9 | Not exceeding €2m |  | Not exceeding €2m |

**Assisted Areas**

Some electoral wards in Hull and East Yorkshire previously benefitted from Assisted Area Status. This meant that companies operating in these areas were able to access enhanced support as a result of their location.

1. To check whether your area previously had Assisted Area status, use the online tool at - [www.ukassistedareasmap.com](http://www.ukassistedareasmap.com/ieindex.html)

**Levels of Assistance**

The minimum grant available is £5,000 and the maximum grant available is £250,000.

Grants are awarded as a percentage (intervention rate) of the eligible project costs and will not exceed the maximum thresholds previously considered under State Aid regulations. The remaining funding must come from a non-public source (e.g. bank loan, asset finance, company funds etc.)

The programme will apply the following maximum grant thresholds:

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| --- | --- |
| **Micro and Small Enterprises** | **Medium Enterprises** |
| Assisted Area | Non-Assisted area | Assisted Area | Non-Assisted area |
| **30%** | **20%** | **20%** | **10%** |

N.B. The programme has challenging targets for private sector leverage and number of businesses supported. The programme administrators reserve the right to introduce a cap on intervention rates or reduce the maximum grant threshold if the programme cannot meet its targets.

**Eligible costs**

Grants can contribute to investment in tangible assets relating to:

* the setting up of a new establishment within an existing company structure
* the extension of an existing establishment
* diversification of the output of an establishment into new additional products
* a fundamental change in the overall production process of an existing establishment.

Businesses may seek funding to support the following costs:

* Purchase of equipment, plant or machinery
* Refurbishments and alterations to premises (excluding essential maintenance)
* Construction of extensions to premises
* Purchase of furniture and associated hardware

N.B. Property purchases, while eligible for funding, are not a priority and will not be supported unless a persuasive case can be made to do so.

**Job creation**

Grant funded projects must create at least 1 FTE job for every £15,000 grant awarded. Safeguarded jobs will also be accepted where it can be demonstrated that the job will be retained because of the investment.

* New employment must be created within one year of the investment being made
* Jobs created should lead to a net balance or increase in the number of employees in the business compared with the average over the previous twelve months
* Businesses must commit to sustaining the employment for 3 years

N.B. Grant recipients will be contracted to achieve and sustain their employment outputs. Failure to do so may result in grant funding being revoked or clawed back so it is important that applicants are realistic about what job creation they can achieve.

**Investment**

Grants are paid in arrears against evidence of spend.

If work on a project has started then it is not eligible for financial support. An application must be submitted and an offer made before work on the project is started.

In exceptional circumstances a business may be permitted to commence their project **at risk** once a full application form has been submitted and subject to written permission from the Programme Delivery Team.

The Investment made by Growing Hull and East Yorkshire must be maintained in the region for a period of up to up to 3 years after completion.