



Cyngor Bwrdeistref Sirol
MERTHYR TUDFUL
MERTHYR TYDFIL
County Borough Council

Merthyr Tydfil County Borough Council
Local Growth Fund
Business Growth Grant Scheme
Criteria & Guidance for Applicants

Funded by
UK Government



Wedi ei ariannu gan
Llywodraeth y DU

Introduction

The Local Growth Fund (LGF) in Wales is designed to support productivity growth in areas with catch-up potential and address economic inequality in areas of deprivation. It can do this by supporting business growth, the creation of better-paid jobs and the strengthening of regional economies.

Who can apply?

The fund is open to businesses based in the Merthyr Tydfil County Borough local authority area, as well as inward investors locating to the area within the following sectors:

- Advanced Materials & Manufacturing
- Compound Semiconductors
- Construction
- Clean Energies
- Digital and Technologies
- Creative
- Life Sciences
- Financial Services
- Fintech
- Human Foundational Economy - Education, Health, Social Care, Childcare & Emergency Services and Retail

How much grant can I apply for?

Start Up Businesses (trading less than 12 months) can apply for a £500 minimum net of VAT up to a maximum of £2,000 net of VAT.

Growth Businesses (trading more than 12 months) can apply for £1000 up to £14,999 net of VAT with a match funding requirement of 20%

Growth Businesses (trading more than 12 months) can apply for £15,000 up to £35,000 net of VAT with a match funding requirement of 30%

Successful applicants will be required to pay any VAT costs.

NB – Grants are paid retrospectively and successful applicants will need to demonstrate that they can fund the full costs of the project inclusive of VAT.

What costs will the grant cover?

The grant will support capital costs only.

All projects must fit within the sectors detailed above.

Examples of **eligible** expenditure include:

- Commercial property improvements –refurbishments which demonstrate diversification plans to stimulate economic growth
- Introduction of low carbon and energy efficiency upgrades to reduce costs and consumption as part of a wider investment plan.
- New and upgraded IT infrastructure and hardware which support the introduction of new technologies which improve processes and operational efficiencies as part of new build and refurbishment works.

Examples of **ineligible** expenditure include:

- Revenue expenditure – e.g. staff salaries, training, marketing, advertising, website development, accreditations, licensing, subscriptions, professional and statutory fees
- Commercial vehicles such as vans, lorries, HGVs, minibuses, cars, etc.
- Purchase of land or premises
- Office furniture unless associated with building works and the creation of new office facilities.
- Items that are direct like-for-like replacement for existing equipment due to everyday wear and tear e.g. flooring, painting, decorating and IT equipment such as keyboards, mice, headsets.

NB – this is not an exhaustive list and it is at the discretion of Merthyr Tydfil County Borough Council to determine the eligibility of an item.

What outputs and outcomes will my application need to demonstrate?

- Bringing vacant spaces back into beneficial use
- Number of jobs created and safeguarded
- Creating enterprises

Application process

Before completing an application, please ensure you read the guidance notes and FAQs.

- Applicants will be invited to complete an application form
- Due diligence checks will be carried out on submitted applications
- Applications which pass the due diligence checks will be assessed for eligibility, scored in line with the scoring criteria and ranked in order of highest score to determine which projects will be supported.
- Recommendations from panel members will be reviewed by a governance committee for approval.

- Grant offer letters will be used to successful applicants. Any expenditure made that predates the grant offer will not be eligible.
- Unsuccessful applicants will be notified in writing. There is no appeals process with this fund.

The fund operates on an open call basis. As the fund has a fixed budget, achieving a high score does not guarantee that an application will be supported. The number of applications supported will depend on the number of applications received, the quality of the applications and the level of funding requested.

Supporting documents required

The application process will require the submission of the following supporting documentation to accompany the application form:

- Business Plan & Financial Forecasts
- Last 3 years audited accounts
- 3 Quotes – individual items quoted should have a minimum value of £500 net of vat and have an economic benefit of more than 12 months
- Copies of all relevant statutory consents
- Copy of building insurance certification
- Letter of consent from Freeholder (if Leaseholder)
- Copy of lease agreement from Freeholder (if Leaseholder)
- Evidence of match funding – please confirm how you intend to finance your contribution to the whole project. Confirmation should be in the form of a bank letter or other official documentation (original paperwork will be required) such as a bank statement

What else do I need to consider before submitting an application?

- You should not commit to expenditure before receiving a written offer of grant from Merthyr Tydfil County Borough Council.
- Once an offer has been made, changes to project expenditure will only be agreed in exceptional circumstances. Therefore, please think carefully about the expenditure you include.
- Projects will need to be completed, and grant drawn down within the timeframe detailed in the grant offer letter.
- Applicants will need to demonstrate how the project will be funded and provide a detailed schedule where staged claims are requested.
- It is a requirement that all services and works are procured through an approved competitive tender procedure in line with Procurement Guidelines.
- Quotes for all items of project expenditure must be provided in line with the above.

- To avoid conflicts of interest, where a business or individual associated with the applicant are quoting for project works, the Council must be informed and, at least one other independent quote will need to be provided to confirm market value.
- Any statutory permissions required for the project to proceed such as planning, must be factored into project delivery timescales and be in place prior to an application being considered.
- Any works to leased premises will need written consent from the landlord before an application is considered. In addition, a lease of at least five years must be in place and a copy of this will be requested.
- New investors to the area must have purchased a premises or secured a lease on a premises of at least five years, prior to their application being considered.
- Funding issued from Merthyr Tydfil County Borough Council is subject to the UK Government Subsidy Control Act (2022).
- Submitted applications must be signed by the owner, a partner or director in the business.
- The Council has the discretion to request additional information as required.
- All applications will be considered on an individual basis and payment of the grant is at the absolute discretion of Merthyr Tydfil County Borough Council within the criteria set out in this guidance.
- Payments for project expenditure is to be made as follows:
 - Self-employed and sole traders must use a dedicated business account separate from that used for personal living expenses.
 - Partnerships, Limited Companies, etc., must use a bank account in the business name.
- Purchases by credit card will be accepted where the card is held in the business name and payments against credit card statements, must be made from the business bank account. Evidence will be required to show that the value of such credit card purchases have been paid off the relevant statement.
- Payments by cash will not be accepted.
- All applicants will need to agree to provide Merthyr Tydfil County Borough Council with information relating to any agreed grant outputs/outcomes as part of the reporting, monitoring and evaluation process for the Fund.
- Applicants may be asked to provide additional information such as a quote, business history or photographs for inclusion in press releases, case studies, evaluation reports, etc., to publicise the grant and use funded by UK Government branding.
- The grant is paid retrospectively on submission of the required evidence which will include copy paid invoices, business bank statements confirming payment, etc. Therefore, you must be able to fund the full cost of your project (inclusive of

VAT) upfront. However, staged claims will be considered on a case-by-case basis to help businesses manage any cash flow issues.

Where do I send my completed Application?

Please submit your completed Application Form together with supporting information to economic.development@merthyr.gov.uk and include your registered company/trading name in the subject line.

Closing date: TBC