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# **UK Shared prosperity Fund – Mid Wales Region**

## **Application Guidance for Cynnal y Cardi Supporting Local Business Fund**

January 2024

## **1. Introduction**

The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK government's ambitious Levelling Up agenda and a significant component of its support for places across the UK. It provides three years funding for local investment.

The Mid Wales Region (Ceredigion and Powys) has been allocated £42 million From 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025.

The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. This aligns with Levelling Up White Paper missions, particularly: 'By 2030, pride in place, such as people's satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.'

The **UKSPF Cynnal y Cardi fund** is a grant scheme administered by Ceredigion County Council to deliver activity in Ceredigion across two of the Investment Priorities:

- **Communities & Place**
- **Supporting Local Business.**

Within each of these investment themes, key local priorities (referred to as interventions) have been identified. These are outlined in the Mid Wales UKSPF Regional Investment Plan ([www.growingmid.wales/MidWalesUKSPF](http://www.growingmid.wales/MidWalesUKSPF)) together with the challenges and opportunities facing the region and the associated outputs and outcomes that UK Government are looking for projects to achieve.

For further information on Mid Wales' UK Shared Prosperity Fund programme please contact:

- [ce.cynnalycardi@ceredigion.gov.uk](mailto:ce.cynnalycardi@ceredigion.gov.uk)

This document is also available in Welsh. You are welcome to communicate with us in Welsh.

An application form may be submitted in Welsh; any application submitted in Welsh will not be treated less favourably than an application submitted in English.

## **2. Introduction to Cynnal y Cardi Supporting Local Business Development Grant**

The aim of the Cynnal y Cardi Supporting Local Business Development Grant is to support new businesses and existing micro and small businesses with their growth and/or recovery plans by providing financial support to:

- Boosting the Economy, supporting businesses and enabling employment.
- Supporting the new entrepreneurs with their business start-up aspirations.
- Supporting existing businesses with their growth plans.
- Facilitate and support the Social Enterprise Sector to realise their opportunities.

- Build resilience and knowledge within businesses particularly in relation to decarbonisation, energy efficiency and digital support.
- Promote the successes of Ceredigion businesses.

### **3. Alignment with Local Priorities**

Project proposals will need to demonstrate how they align to local priorities. The Cynnal y Cardi Supporting Local Business Development Grant is aligned to:

**UK Shared Prosperity Fund Investment Priority Supporting Local Business.**

**Ceredigion County Council Corporate Plan:**

**Priority 1** Boosting the Economy, Supporting Businesses and Enabling Employment

**Boosting Ceredigion's Economy: A Strategy for Action 2020-35 (Ceredigion Economic Strategy):**

**Priority 3 Enterprise**

- (i) Support the creation of new businesses and helping existing businesses grow in Ceredigion (create more mid-size businesses),
- (ii) Strengthen/Capitalise on key opportunities for the County's key sectors – Food / Farming, Agri-tech, Tourism, Aerospace / Spectrum Technology, Bioscience.

The focus of the Cynnal y Cardi Supporting Ceredigion Businesses fund will be on:

- Entrepreneurship activity
- Support Business Start-up and Growth developments
- Support to drive innovation and the skills agenda for SME's and start-up businesses, in order to create the conditions to create jobs of higher value in the economy.
- Support for digital exploitation for local businesses.
- Support to strengthen the decarbonisation and energy efficiency for businesses.
- Funding to support relevant strategic commissioning/feasibility work.
- Creation of Enterprise Hubs to enable business owners to share good practice and work collaboratively.

### **4. How Much Funding is Available?**

The grant will be delivered through two approaches:

- a) Small Business Grant - £1,000 - £10,000
- b) Business Development Grants - £10,001 - £50,000. Larger bids will not be excluded but a robust rationale will be required.

**Each grant award will be based on 80% of eligible costs. Match funding must be cash (rather than 'in kind').**

All activity must be completed, and funding claimed by the 31<sup>st</sup> of December, 2024. The grant will provide financial support towards revenue expenditure and some small scale capital expenditure.

The grant will be allocated on a first come first served basis. Applying is a competitive process, and innovation, outcomes and impact, and value for money/impact will be a key factor when projects are appraised and selected.

## **5. What activities are eligible?**

It is designed to help businesses put in place the full funding package needed for investments that will help sustain and grow their operations.

### **Eligible Capital costs:**

- Purchase of essential equipment or machinery – this can include adaptations, alterations or upgrading to existing equipment, such as upgraded or improved ventilation system.
- Purchase of new or second-hand equipment which will further develop the business.
- Improvements to commercial premises to further development the business (including fixtures and fittings, furniture, and general office equipment etc. as part of a new office or outdoor facilities).
- Factory vehicles such as forklifts and commercial vans which are green energy.
- Changing of existing lighting, heating to green options
- IT and Telecom hardware if linked directly to the delivery of the proposal.
- Charges associated to the delivery of any capital equipment.

### **Eligible Revenue Costs**

- Staff costs including salaries and contractual benefits, National Insurance and superannuation contributions business travel, subsistence, and accommodation (excluding existing posts and costs relating to directors/ owners of business) – must be new posts or service.
- Training costs including allowances and travel expenses.
- Purchase of advertising, licences
- Social Media support including website development and e-commerce development.
- Specialist software
- Fees of contractors and consultants
- Cost of venue hire
- Marketing Materials and publicity costs
- Items purchased with credit cards are eligible, but applicants will need to demonstrate that the amount of expenditure associated to the grant is evidenced on the credit card bill at the grant claim stage.

**Ineligible costs:**

- General revenue expenditure such as, staff costs or any other taxes, hire purchase/lease purchases.
- General vehicles such as cars
- General repair and maintenance costs of commercial premises
- Replacement of like for like fixtures and fittings, furniture, and general office equipment etc.
- Contingency fees and costs which were committed or spent before the offer and acceptance of the grant.
- Working capital costs such as stock, rent, rates, administration.
- Costs of work being carried out as a legal statutory requirement, inc. planning permission and architectural plans.
- If the business is VAT registered, then VAT will be ineligible. VAT will be payable in cases of non-VAT registered companies.
- Cash purchases will not be considered for grant payment.
- Items purchased through lease purchase, hire purchase, extended credit agreements/finance leases will not be considered for grant funding.
- Professional fees associated in completing an application for grants.
- The purchase of land or property
- Staff costs of directors/ owners of business

**6. Who can apply?**

The Grant is open to Start-up businesses, Micro businesses and SMEs, and is open to businesses who have been trading since the 1st of September 2022.

Support is aimed primarily at new businesses to be operating in or servicing the following growth and foundation sectors.

- a. Advanced Materials and Manufacturing,
- b. Construction
- c. Creative Industries
- d. Energy and Environment
- e. Financial and Professional Services
- f. Information Technology and Communication
- g. Life Sciences
- h. Food & Drink
- i. Leisure, Tourism and Hospitality
- j. Retail
- k. Health and Social Care

Applications can be received from sole traders, self-employed, micro/small enterprises, limited companies, social enterprises & partnerships.

The grant is only available for businesses with a registered address in Ceredigion and the investment must be used to support their business operation within the county. Evidence such as HMRC registration, bank statements, etc. will be required to prove trading dates.

Applicants for the Business Development Grant **must** be able to demonstrate growth potential. This is defined as a business seeking to increase turnover or safeguarding staff who may be at risk. Priority will be given to early-stage businesses and businesses with the ambition and characteristic to scale-up.

The **following sectors are ineligible for support**: primary agriculture production, forestry, aquaculture, fishing and statutory services, e.g. primary health, and education.

## **7. The Application Process**

Initial discussions **MUST** take place to ensure eligibility of activity. Please email [cynnalycardi@ceredigion.gov.uk](mailto:cynnalycardi@ceredigion.gov.uk) with a short brief outlining your project and a summary of your project costs. Applications will be dealt with on a first come first serve basis. The application process is competitive and those proposals and those offering the best fit with the criteria and the principles of the fund.

**A range of supporting documentation is required along with other information depending on your project. Each applicant must complete and return the following:**

- **Application Form including Annex 1, Annex 2, Annex 3, Annex 4**
- **Any supporting documents in support of the project i.e., supporting letter, planning approval.**
- **Two years most recent formal accounts**
- **Recent bank statement (with name, address, bank account number and sort code)**
- **Supporting match funding letters or proof**
- **Written quotes as per procurement and guidelines in section 8 of this document.**
- **Job descriptions if project includes employing a new member of staff**
- **Business Plan**

Application forms and guidance are available on the Ceredigion County Council web site Mid Wales Shared Prosperity Fund webpage.

[Cynnal y Cardi UK Shared - Ceredigion County Council](#)

You will be able to download the application form and complete all the requested fields along with your additional required documents and submit your application by emailing to [ce.cynnalycardi@ceredigion.gov.uk](mailto:ce.cynnalycardi@ceredigion.gov.uk)

**The application process opens on the 1<sup>st</sup> of February 2024. All grant expenditure must take place and be claimed by 31<sup>st</sup> December 2024.**

Further application windows may become available subject to available funds.

Applications are welcomed in Welsh or English. Applications submitted in either language will be treated equally.

***Please note that expenditure must NOT commence before approval is given, as the grant cannot be awarded retrospectively.***

## **8. Procurement**

In order to ensure best value for money, all goods and services claimed for as part of the project need to be openly and fairly procured. Applicants need to provide written quotes, references to catalogue listings or formal tenders as part of their application.

The following guidelines should be followed depending on the value of an individual item:

<b>Estimated Item Value</b>	<b>Total Value of goods or service(s)</b>	<b>Procurement Process</b>
£0 - £4,999	One written quote Consideration of local suppliers must be part of the process	Written confirmation from suppliers which can include web pages advertisements, receipts, e-procurement order etc.  Best value for money must be obtained and reasonable care must be taken to obtain goods, works or services of adequate quality at a competitive price. A documented record to support the decision must be retained for audit purposes.
£5,000 - £24,999	A minimum of 4 quotations to be sought and at least 2 received. Consideration of local suppliers must be part of the process.	Formal written quotation.  Sell2wales Quick Quotes to be considered.
£25,000 - £106,046  (Goods & Services)	A minimum of 5 quotations to be sought and at least 3 received Consideration of local suppliers	Either a) Formal written quotation. Sell2wales Quick Quotes to be considered. Or b) A full tender process conducted through etenderwales

	must be part of the process.	
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Evidence of expenditure must be provided by submitting paid invoices/receipts and bank statements showing payments.

## **9. Permissions and Consents**

It is a requirement of the applicant to ensure all necessary permissions and consents (e.g. planning permission, licenses, or landlord consent) are in place where required. The applicant is wholly responsible for ensuring that all aspects of the scheme are in compliance. **Failure to do so may result in no grant being paid or reclaimed.**

If your project requires permissions or consents, you can still apply but you will need to explain your timetable for obtaining them in your application.

## **10. Subsidy Control**

A subsidy is where a public authority provides support to an enterprise that gives them an economic advantage. If UKSPF money is used to provide a subsidy, expenditure must be compliant with the UK's obligations on subsidy control. The Subsidy Control Act 2022 replaces previous EU State Aid and came into effect on 4 January 2023. It is a requirement for Public Authorities to record on a Transparency information all relevant subsidies.

All applications that have the potential to be a subsidy must consider how they will deliver in line with subsidy control principles, as per UK Government guidance. All applicants must establish if the direct award of funds could constitute a subsidy.

Small scale awards can be managed under the threshold for Minimal Amounts of Financial Assistance (MFA). This sets a limit of £315,000 of assistance over a three-year period, which can be given to organisations operating in a competitive market. Please advise of any other De minimis aid (previous support under State Aid) or MFA support received during your current and previous two fiscal years, as we need to check that our support added to that previously received, will not exceed the threshold. Please note support can not only be in the form of a grant but also assistance such as free or subsidised consultancy services, marketing advice etc. If you are in any doubt about whether previous assistance received classes as De minimis or a subsidy please include it.

If the award falls outside the MFA it must be determined whether the award of UKSPF is a potential subsidy (as defined by the UK Subsidy Control Regime). We ask you to undertake a self-assessment. Please provide a rationale for the four criteria outlined in the application form. To determine whether this is a subsidy, ALL four criteria have to be met. You will also need to confirm how you intend to comply with the UK's subsidy control regime. It is also important to confirm whether any subsidy will be passed on via delivery of activities to end beneficiaries i.e. other organisations involved in economic activity.

Further information is available on the UK Government website [guidance](#).



## 11. How will applications be assessed?

<b>Criterion</b>	<b>Weighting</b>
Business Proposal	25
Impact (to include green energy & decarbonisation, Growth increase in turnover, use of innovation & technology) and Deliverability – including milestones, risks, due diligence, experience	25
Match funding and evidence of Match funding	10
Employment details	20
Realistic outputs/outcomes – value for money, monitoring, and evaluation.	20
<b>Total</b>	<b>100</b>

Applications will be considered by the Grants Assessment panel. Decisions made by the Assessment Panel will be final and subject to the funding available.

Each application will be scored using the following range:

<b>Grading</b>	<b>25 point weighting</b>	<b>20 point weighting</b>	<b>10 point weighting</b>
Exceptional	21-25	17-20	9-10
Very Strong	17-21	13-16	7-8
Adequate with strong elements outweighing the weak elements	12-16	9-12	5-6
Adequate with weak elements outweighing the strong elements	7-11	5-8	3-4
Unsatisfactory	1-6	1-4	1-2

## 12. Grant Offer and Acceptance

Successful applications will be invited to enter into a grant agreement with Ceredigion County Council. This will explain when a project can start and all terms and conditions including any project specific conditions.

When a grant is approved, an offer letter will be sent to the applicant. If a grant is offered, it must be formally accepted by the applicant. This must occur within 10 working days of the date of the grant offer letter and before any work commences.

The works shall be undertaken in strict accordance with the approved application and any other relevant requirements or conditions that are deemed necessary.

The County Council must always be notified immediately of any changes to an activity. This might involve changes to the timing or the financing of the activity. All changes must be agreed in writing by the County Council.

Once the grant activity is completed, the applicant must submit a claim form with copy invoices and defrayment evidence of the total cost of the activity. Once approved, payment will be made to the applicants account via a BACS transfer. All invoices must have been paid from the named bank account of the applicant.

**Please note:** Output evidence will be monitored by the Council over a period of twelve months of the grant being paid.

### **13. Publicity**

All successful applicants will need to acknowledge they have received support from the Cynnal y Cardi Supporting Local Business Fund in all publicity documents, media coverage, signage etc.

<C:\Users\anwenmc\AppData\Roaming\Microsoft\Windows\Network Shortcuts\Cynnal y Cardi Branding and Publicity Guidance Jan 24 E.pdf>

## **Appendix 1 Definitions**

### **Business Status**

- Sole trader defined as a person who is the exclusive owner of a business, entitled to keep all profits after tax has been paid but liable for all losses.
- Self-employed defined as an individual who is working for oneself as a freelance or the owner of a business rather than for an employer.
- Micro enterprise - Micro-enterprise is generally defined as a small business employing nine people or fewer, and having a balance sheet or turnover less than €2 million.
- Ltd. Companies – A company where the liability of members or subscribers of the company is limited to what they have invested or guaranteed to the company.
- Social Enterprise - Businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.
- Partnerships – evidenced by Partnership Agreements / Cooperatives.

## **Output Definitions**

All projects will be assessed on the number, type, and quality of outputs they will deliver. This section of the guidance should be used to help determine the outputs for your proposal. Should your project be approved, then the outputs included in your application will form part of the grant agreement.

**Jobs Created:** Must be in addition to your current workforce needs. Total number of jobs created in FTE (30 hours per week).

**Jobs safeguarded:** A job is considered as 'safeguarded' if a job which was considered at risk when a business applied for the grant is still in existence at the time of counting, and is no longer at risk of being lost within a year. The job must not be counted again if it is filled over time by different individuals.

**Green Energy & De Carbonisation** - This is a measure of the reduction in greenhouse gas (GHG) emissions following completion of the funded activity. Unit - Tons CO2 equivalent