

East Lothian Council

UK Shared Prosperity Fund – Supporting Local Business 2025/26

BUSINESS GROWTH AND INNOVATION CAPITAL GRANT

GUIDANCE NOTES

The UK Shared Prosperity Fund (UKSPF) is a key pillar of the UK government's inward investment agenda, providing all areas of the UK with an allocation of funding to invest in domestic priorities and targeting funding where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances.

This **Business Growth and Innovation Capital Grant** is being delivered as part of the **UKSPF Supporting Local Business Investment Priority** to support entrepreneurship, business development, local and social economies.

Priority consideration for grant funding will be given to applicants whose proposals clearly demonstrate ability to evidence more than one of the key UKSPF Outcomes, whose proposals will encourage employment, grow an existing East Lothian business, support sustainability, safeguard existing or create jobs.

We recommend that all applicants read this Guidance Note in full before they start to complete an application and refer to the guidance notes while filling out the application.

Please complete all areas of the application in full and send all of the supporting documentation.

In the first instance queries should be directed to supportgrants@eastlothian.gov.uk.

Please read this guidance document in full **BEFORE** requesting an application form to be sure you are eligible.

THE AIM

To provide for and encourage employment growth, business growth, business sustainability, adoption of innovation and transition to [Net Zero Carbon](https://www.fairworkconvention.scot/the-fair-work-framework) in East Lothian. The key elements of the funding are to support entrepreneurship, business development and local and social economies. East Lothian Council supports and encourages Fair Work Practices, including Effective Voice, Opportunities, Security, Fulfilment, and Respect, and expects businesses in receipt of public funds to take a positive approach to fair work practices, more information can be found here: <https://www.fairworkconvention.scot/the-fair-work-framework>

THE OBJECTIVES

The main objective is to provide financial support for:

- Business growth and sustainability.
- Increased local employment opportunities.
- Adoption of innovation.
- The transition towards net-zero / tackling the climate and ecological emergency.

This support will be for the purchase of goods and services that create growth and enable businesses to remain competitive and help further the national and local ambitions of transition to Net Zero.

UKSPF OUTCOMES

Net Zero – To deliver meaningful progress towards Net Zero Carbon for the business and to assist in local and national ambitions on transitioning to Net Zero Carbon.

Business Growth – To enable the business to develop increased sustainability and overall growth contributing to the local economy.

Innovation – To support businesses to embrace new ways of working and adopt new technologies and ideas.

THE GRANT AND ELIGIBILITY

All grants are discretionary and the decision on funding by East Lothian Council is final with no right of appeal.

Applicants can apply for a minimum grant of £15,000 and a maximum of £35,000. 20% match funding is required.

Successful applicants will receive 70% of the grant amount on receipt of a signed acceptance of offer by East Lothian Council from the applicant and 30% on satisfactory completion of the project and acceptance of the evidence by East Lothian Council. Successful applicants will be issued with a report and claim form which must be submitted with all necessary evidence before the deadline. Evidence includes invoices/receipts for all approved expenditure and a copy of the bank account clearly showing the payments.

APPLICANTS MUST:

- Have been trading for at least two years.
- Be in the East Lothian Council Local Authority Area.
- Be VAT registered.
- Employ a minimum 5 staff or evidence direct or indirect sustainable job creation within 12 months of project completion.
- Meet all legal requirements and regulations which relate to the operation of the business.
- Not be in debt to East Lothian Council, e.g. for outstanding business rates or other charges.
- Not have received an East Lothian Council Economic Development Grant within the last 2 years (with the exception of the UKSPF New Business Support Grants and UKSPF Expert Help programmes).
- Clearly demonstrate the need for the funding, the benefit to the business and the local economy and the fit with the programme Outputs.
- Be able to clearly demonstrate the business' commitments to Fair Work Practices and achieving Net Zero.

Equipment / services cannot be double funded, i.e. you cannot receive funding, other than match funding, from another source for elements being funded by East Lothian Council. If you receive funding from another source for items or services identified in your application you must tell us. If we cannot agree other suitable expenses you may be asked to repay some or all of the grant. You must retain invoices / receipts for audit purposes.

WHAT WE CAN AND CAN'T FUND

Examples of eligible expenditure include:

- New machinery or equipment
- Creation, upgrade or refurbishment of facilities
- Certain IT software or systems
- Embedding new processes or systems that evidence a clear reduction of carbon emissions within your Scope 3 emissions.
- Implementing carbon reduction projects identified from consultancy support.
- Professional services related to the capital project / expenditure only

The Grant cannot be used for:

- Buying company shares or buying out members of a partnership.
- Repaying or replacing existing loan and overdraft facilities
- Repaying debts, including taxes owed
- Paying interest on existing loan(s) / borrowing facilities
- Illegal or political activities
- Revenue costs e.g. staff/payroll costs, utilities, etc
- Consultancy

GENERAL TERMS

Companies must:

1. Apply in writing using the relevant East Lothian Council grant application.
2. Provide two year's accounts with their last three month's bank statements.
3. Provide an up to date business plan.
4. Have at least one meeting with a nominated representative of the Economic Development Department to discuss their application in full.
5. Agree to and sign the grant award and retain and submit invoices and bank statements as proof of purchase for items or services.
6. Meet with a nominated representative of the Economic Development Department and provide a copy of their accounts one year after the project completion to evaluate the success of the funding and review any further required support.
7. Effect and maintain such insurance over the funded assets and business as is reasonable and customary for a business engaged in the same or a similar activity.
8. Agree to a physical inspection of the funded asset(s) once purchased, and at agreed intervals thereafter.
9. Notify East Lothian Council of the sale of any funded assets within 14 days of the sale and return any proceeds of the sale to East Lothian Council within 14 days.
10. Agree to take part in any publicity related to the grant, if requested.
11. Agree to acknowledge funding from UK Government and support from East Lothian Council in any publicity of the project carried out by the business including, but not limited to, press releases, social media and webpage activity.

HOW WE ASSESS APPLICATIONS

When we have received a completed application form and full supporting documentation we will start our assessment. We will only consider one application from your organisation. We will check that you / your organisation can apply and that your project / proposal is something we can support. We will then consider the following as appropriate:

- The business need for your project
- If we have funded your organisation before
- Your organisation's financial standing
- The total project cost, and other funding required
- The potential economic impact
- The potential longer term impact of your project
- Your company's commitment to fair work practices
- Your company's commitment to environmental sustainability

Our funding decision will be final, there is no appeal process.

MONITORING YOUR GRANT

Any grant awarded will be subject to monitoring through a business health check, and / or premises visit undertaken by a nominated representative of the Economic Development Department, during which all relevant documentation and management accounts should be made available. The purpose of which is to support you to evaluate the impact of your project and consider future support needs. You must retain records of expenditure and other relevant documents and maintain your management accounts.

If successful in your application a full evaluation form will be sent to you.

SUBSIDY CONTROL

Any assistance provided under this scheme will be offered by East Lothian Council as a Minimum Financial Assistance (MFA) subsidy under the Subsidy Control Act (2022). Before making any award, we will require written confirmation that receipt of the award will not exceed your MFA threshold of £315,000 cumulated over this and the previous two financial years, as specified in section 36(1) of the Subsidy Control Act (2022). Confirmation must be sent by someone who is authorised to do so on behalf of your organisation*.

You are required to keep a written record of the amount of MFA you have received and the date/s when it was received. The written record must be kept for at least three years beginning with the date on which the MFA was given. This will enable you to respond to future requests from public authorities on how much MFA you have received and whether you have reached the cumulative threshold.

* The MFA financial threshold applies at company group level.

In the event that in East Lothian Council's reasonable opinion and/or in the reasonable opinion of the Scottish Ministers, your grant or any part of it is deemed to be or held to be in excess of any subsidy control levels, and that each or either of them consider that they are required to recover such sum in order to ensure compliance with obligations under the Law, East Lothian Council or the Scottish Ministers may require immediate repayment of the your grant or any part of it together with such interest at a rate and on such a basis as may be determined from time to time by the relevant government body.

In the event that you become bound to repay any sum you shall pay East Lothian Council or the Scottish Ministers the appropriate sum within 14 days of a written demand. In the event that you fail to pay the sum within the 14 day period, the Scottish Ministers or East Lothian Council shall be entitled to interest on the sum at the rate of 2% per annum above the Bank of England base lending rate prevailing at the time of the written demand, from the date of the written demand until payment in full of both the sum and the interest.

DATA PROTECTION

East Lothian Council takes your privacy seriously. As we collect and process personal information about you we are registered as a 'data controller' under the Data Protection Act (ICO registration Z5759571). Under the Data Protection Act, you have a right to know how we collect, use and share your personal data. You can find information on the kinds of personal data we collect, and how we might use it here <https://www.eastlothian.gov.uk>

KEY DATES

2025

20th May	Fund and applications open
23rd June	Application round closes at 12noon
7th July	(week beginning) Offer of Grant letters issued.

2026

30th January	ALL PROJECTS MUST BE <u>FULLY COMPLETED</u>
13th February	Final date for submission of Evidence of Spend Claim and Report
27th February	Final funding payment made

Funding is limited and so we advise to submit your applications as soon as possible. For any queries before submitting your application please use the email address below.

SUBMITTING YOUR APPLICATION

If you have read the above criteria and believe your business is eligible for this grant, you can request an application form via email from supportgrants@eastlothian.gov.uk. Completed application forms together with supporting documentation should be emailed to: supportgrants@eastlothian.gov.uk