

Grant Scheme for the Cheshire East Business Growth Programme

Part of the UK Shared Prosperity Fund – Transition Year 25/26

July 2025

1. Purpose and Objectives

- 1.1. In accordance with the Council's Constitution, the decision to use grant money received by the Council to award grants to other organisations must follow the Council's Constitution and Finance Procedure Rules, particularly paragraphs 6.29 - 6.33. It must also comply with the corporate grants policy.
- 1.2. The Council's Corporate Grants Policy requires a Scheme and Application Process to be agreed and published for grant schemes on the Council's website.
- 1.3. This Scheme sets out what the grant scheme funding is for, who can apply, the criteria that must be met, the deadline for applications, how people must apply, any documents that must be sent in with the application form and when they are likely to hear the outcome of their application.
- 1.4. This policy covers the period from 01 August 2025 – 31 March 2026. The Council reserves the right to amend this scheme at any time.

2. Background

- 2.1. This project is funded by the UK Government through the UK Shared Prosperity Fund, a central pillar of the government's Levelling Up agenda. The Fund provides £2.6 billion for local investment by March 2025, aiming to improve pride in place and increase life chances across the UK by investing in communities, local businesses, and people and skills. On 13 December, the UK Government announced additional funding for a transition year from April 2025 to March 2026. Cheshire East Council will receive an allocation of £3,790,237 for this period. This new funding aims to sustain and enhance local projects and initiatives beyond the initial deadline, ensuring ongoing growth and development.

For more information, visit <https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus>

- 2.2. The UK Government has announced an additional £900 million for local investment by March 2026. This funding can be used to support activities from 1 April 2025 to 31 March 2026
- 2.3. In May 2025, the Council approved a programme of projects to be taken forward to delivery. This includes the Cheshire East Business Growth Programme.
- 2.4. The Growth Programme is intended to provide a mix of financial (grant) and non-financial (business support) assistance to help businesses develop growth plans which identify opportunities to accelerate growth, introduce new products, services and provide fair employment practices.
- 2.5. The Growth Grant aims to support businesses in accelerating their growth, which would otherwise be unattainable due to cost constraints. By providing access to expert guidance from a business consultant, the grant helps improve productivity, drive employment growth, and ensure long-term sustainability, making years of potential growth achievable.

3. Eligibility

- 3.1. Only businesses trading from a property based in the Cheshire East Council boundary can apply for a grant.
- 3.2. Businesses must apply to the Council via an online application form to be considered for a grant payment.
- 3.3. Businesses must have a Business Growth Plan in place to support the need for the grant.
- 3.4. Must be an existing SME who have been trading for at least 12 months. To qualify as an SME the business must have fewer than 250 employees and less than or equal to £44m in annual turnover or a balance sheet total of less than or equal to £38m
- 3.5. Only expenditure that occurs after the 1 April 2025 will be eligible.
- 3.6. Businesses that are in Administration, insolvent or where a striking off notice has been made will not be eligible.

3.7. Businesses that have already received grant payments that equal the maximum permitted levels of subsidy will not be eligible to receive funding.

3.8. Businesses must hold a business bank account.

3.9. The council requires the following information, as a minimum, for all applicants:

- A. Name of business
- B. Business Trading Address including postcode.
- C. Unique identifier (preferably Company Reference Number (CRN) if applicable. If not applicable, VAT Registration Number, Self-assessment/Partnership Number, National Insurance Number, Unique Taxpayer Reference, Registered Charity Number will also be acceptable)
- D. Nature of Business
- E. Date business established.
- F. Number of employees
- G. Business rate account number (if applicable)
- H. Disclose all businesses you own or have a significant stake in.

4. Grants

4.1. Grants will be made available from £5,000 up to a maximum of £25,000 per business towards eligible expenditure.

4.2. The grants will contribute up to 70% of the total costs with the applicant being required to provide 30% match funding.

4.3. Examples of eligible items include, but are not limited to:

- Eligible investments identified within the business's Growth Plan
- Expand their market reach, develop new product lines, or implement advanced technologies to enhance operational efficiency.
- Improved building ventilation/ air exchange or low carbon heating and green energy solutions.
- Purchase of energy efficient products, equipment, or machinery to capitalise on new and emerging business opportunities.
- Improvements to a building/unit/office to reduce heating/cooling demand e.g., insulation, upgrading heating systems, internal alterations that create compact spaces, energy efficient lighting.
- Purchase of equipment or machinery to capitalise on new and emerging business opportunities.
- Improvement and expansion projects that increase productivity and contribute towards job creation.

4.4. The grant cannot be used for the following:

- Salaries or wage subsidies.
- Acquisition of land / buildings either directly or indirectly
- Consultancy, design, and statutory application fees
- Professional fees (e.g., solicitor / surveyor / architect)
- Servicing existing business debt
- Marketing campaigns
- Maintenance of equipment or licences/subscriptions
- Software unless integral to the operation of machinery purchased as part of the grant.

4.5. The application window is from 1 August 2025 to 28 February 2026 dependent on availability of UKSPF allocated budget.

4.6. One application per business and business owner is allowed. (Business owners are only allowed to apply for only one of their businesses you cannot submit separate applications for each business you own).

5. Grant Payments

5.1. Grants are paid retrospectively once full payment of items can be evidenced through bank statements/ receipts. Payments cannot be made using Cash or Hire Purchase Agreements.

5.2. The grant covers the net cost of items for businesses that are VAT registered. However, the grant covers the gross cost of items for businesses that are not VAT registered at the time of expenditure and that do not expect to register for VAT within that current financial year.

5.3. Grants will be awarded to eligible businesses on a first come first served basis until the total amount of funded allocated to the Growth Programme has been spent. However, priority will be given to businesses that have not previously received a UKSPF grant between April 2022 and March 2025.

5.4. Grant amounts may be amended depending on the amount of UK Shared Prosperity Fund allocation remaining.

6. Decision Making

6.1. Applications will be considered by council officers.

6.2. Applicants will be notified of the outcome of their application after the assessment process has been undertaken.

6.3. Grant payments are made within 10 working days after notification of the outcome of the application.

7. Direct Business Support

7.1. The Council will enter into contracts with third party providers to provide direct business support specifically in relation to development of the required Growth Plan. Contracts will be awarded using the Council's normal procurement procedures, including utilising the Council's contract with BLOOM to appoint accredited suppliers.

8. Payment Process and Pre-Payment Checks

8.1. Due diligence, assurance and fraud checks are completed automatically as part of the application process. This includes identification and bank validation.

8.2. Applicants considered for the Growth Programme will receive a Decision Notification by email confirming if the application is successful or not.

8.3. Following these pre-payment checks, internal approvals and verified applicant details will be added to a Payment Exception Form and sent for payment processing. Payments will be made by BACS Transfer. The Council is unable to issue cheques or cash payments.

8.4. Any business caught falsifying their records or making any material misrepresentations to gain grant money will face prosecution and any funding issued will be subject to claw back, as will any grants paid in error.

9. Tax implications

Grant income received by a business is taxable. This grant will need to be included as income in the tax return of the business. Only businesses which make an overall profit once grant income is included will be subject to tax

10. Monitoring and Record Keeping

Local authorities are required to report regularly to the Ministry of Housing, Communities & Local Government (MHCLG) on funding awarded under this grant scheme.

Records relating to the payment of grants will be kept in accordance with the Council's Information Assets Register and GDPR requirements.

11. Subsidy

Cheshire East Council intends to use the exemption of Minimal Financial Assistance (MFA), which allows public authorities to award low value subsidies without needing to comply with the majority of subsidy control requirements. MFA is capped at a financial threshold, meaning no recipient can receive more than £315,000 over three years. The applicant will be requested, as part of the application process to declare that the cap has not been met by completing a declaration to accept that any grant funding that is unlawfully claimed or paid in error will be subject to clawback from the business.

12. Fraud

Checks to be conducted by the grant officer with support from finance. As a minimum, all grant schemes should consider common fraud risks including: falsified eligibility, misuse of grant funding, hijacked identities, inflated costs, claims for work not performed, duplicate funding, deliberate claims for excessive funding, collusion between the applicant and an internal actor, changing bank details to a fraudster's account, and claims from entities which do not exist or are not operating. Grant application assessment on eligibility and pre-payment checks as described above at Paragraph 8 contribute to the council's due diligence in awarding grants.

13. Appeals

There is no right to appeal, and the decision of the Council is final. The Council's interpretation of this document is at its own discretion, and it will be the final arbiter of the definitions contained within this scheme.

14. Complaints

Complaints about any aspect of the grants process will be dealt with under the Council's Corporate Complaints Procedure. A copy of the Council's Corporate Complaints, Compliments and Suggestions Policy is available from the Council's website.

15. Right to update this Scheme

The Council reserves the right to update, change or withdraw this scheme without notification or warning if the government updates or changes its guidance to us or in the event of an error, omission, or unallocated funds.