



Northumberland Covid Recovery Grant (NCRG) – Guidance for Applicants

The Northumberland Covid Recovery Grant represents the next phase of support from the County Council as part of its comprehensive response to the Covid19 pandemic and its support to the local economy.

The fund is intended to provide financial support to Northumberland based businesses to help them implement plans to recover from the financial effects of Covid19. Applicants are therefore responsible for creating and articulating their recovery plan and will be expected to submit this as part of the application process. The fund is designed to facilitate long term economic recovery of the impacted business.

Eligibility Criteria

All businesses must satisfy all of the following criteria

- Businesses with a significant operational base and / or employees in Northumberland
- Businesses established prior to 1 April 2021
- In any format (limited company, sole trader etc) set up for profit and registered to pay tax on profit
- Broadly open to all sectors, with some exceptions (see ineligible section below)
- Employing fewer than 250 people in Northumberland
- Operating a business bank account, separating personal and business finance, which has been established prior to 1 April 2021
- Able to demonstrate a significant adverse impact from Covid-19
- Able to demonstrate solvency
- Able to outline a credible and costed recovery plan
- Able to fund their share of the recovery plan

Social Enterprises generating 51%+ of their sales from commercial activity i.e. excluding income from donations, grants and contracts not won through a competitive process are also eligible.

Ineligible

- Home-based and mobile businesses
- Registered charities
- Organisations set up to provide
 - local social welfare and community facilities e.g. hospitals, hospices, nursing homes, fire stations, child-minding facilities, sports clubs and societies, parks, public libraries
 - Housing rental as part of an investment portfolio
 - Provision of public services or activities to supplement public services e.g. social housing, school age education
- Businesses whose activities might bring Northumberland County Council's name or reputation into disrepute
- Businesses which are long standing debtors to Northumberland County Council
- Businesses that were in administration, are insolvent or where a striking-off notice has been made are not eligible for funding under this scheme
- Businesses that, were they to receive grant payments under this scheme, breach State Aid or Subsidy Control rules are not eligible for funding under this scheme

Grant Rates

The Northumberland Covid Recovery Grant will provide a grant of 40% of eligible project costs, with a minimum grant of £6,000 per company and a maximum grant of £20,000 per company (i.e. total project value between £15,000 and £50,000), subject to subsidy control.

Grants will be considered on a first come first served basis as it is a finite resource and the grant scheme will close when funds are exhausted.

Eligible Expenditure

Eligible expenditure is, in simple terms, any expenditure that is necessary to implement a credible recovery plan.

There are a few exceptions and refinements to this general principle.

- The Northumberland Covid Recovery Grant is not intended to displace other grant schemes. The North of Tyne Growth Fund, North of Tyne Rural Business Growth Service and Northumberland Covid Business Response Programme are examples but there will be others available across the region. Applicants must therefore demonstrate that the costs they have outlined cannot be funded from another grant scheme.

- The North East Growth Hub is a good starting point for seeing what might be available <https://www.northeastgrowthhub.co.uk/finance-and-funding>
- The fund cannot be used to acquire freehold land or premises.
- The fund cannot be used to fund the routine replacement of assets.
- The fund cannot be used as a wage support mechanism or subsidy for employees or the owner of the business

Rather than providing an exhaustive list of what may be eligible and ineligible it is better to think about expenditure that might form part of a credible recovery plan. This could be capital expenditure, revenue expenditure or a mix.

Capital expenditure is eligible that:

- Increases productive capacity i.e. quantity and speed.
- Increases capability e.g. makes new products or increases the capability to design and prototype new products.
- Improves product quality.
- Improves productivity.
- Reduces unit cost.

Revenue expenditure is eligible that:

- Makes sense of, exploits or complements capital expenditure.
- Helps the applicant access new markets.
- Provides and embeds new skills.
- Makes it easier to build relationships with customers e.g. via sales processes or customer service.
- Provides quality assurance.

These are not exhaustive lists and the applicant might buy tangible things e.g. marketing collateral, or intangible e.g. consultancy to help implement (but not scope) a specific part of the recovery plan.

Revenue financing (i.e. leasing or loan repayment) of specialist vehicles including fit out costs, where a credible case is made, may be eligible for up to six months of a three year financing agreement or pro rata on a shorter term.

Where a project seeking Covid Recovery Grant funding requires planning permission:

- As a minimum an applicant must have formally started either the pre-application or planning process; and
- A condition of the grant is the applicant must have secured the required planning permission (at least to resolution to grant stage) by 31 December 2021, to ensure the grant funds are available to support other projects within the timescales the funds are available.

How to apply for the Northumberland Covid Recovery Grant

An online application process will be made available on the Council's website at www.northumberland.gov.uk/businessgrants.

Applicants will have to supply a range of information, their recovery plan and complete a declaration. It is important applicants have all of the required information ready before beginning the application process, as it cannot be paused and saved.

A finite level of funding is available for the Northumberland Covid Recovery Grant therefore the scheme will have a review point and may close earlier than the advertised date if demand is high. Whilst funds remain the grant will remain open until midday 31 January 2022.

Queries regarding this scheme can be addressed to the County Council's regeneration company Advance Northumberland at the following dedicated email address: businesshub@northumberland.gov.uk

Business Support

Businesses wishing to apply for the recovery grant can also access support from Advance Northumberland Business Advisors, through businesshub@northumberland.gov.uk. This support could take the form of signposting or access to other available grants, including those specifically designed to aid businesses through the pandemic and into recovery. Involvement from Advance Northumberland advisors does not guarantee approval of a Recovery Grant.

Visitor Economy

Businesses within the Visitor Economy will be able to access targeted support and advice from Visit Northumberland. This support can be accessed through info@visitnorthumberland.com. This support will take the form of business advice and product development, based on the best practice and a growing body of evidence available to the sector. These ideas may then form part of a business's recovery plan for which the business can seek financial support to part fund through the Covid Recovery Grant. Involvement from Visit Northumberland does not guarantee approval of a Recovery Grant.

Appraisal and approval

Grant applications for up to £10,000 will be assessed by an internal panel of senior officers and the outcome will be communicated to the applicant.

Grant applications of £10,000 and over will undergo a more in-depth appraisal to ensure value for money.

It is intended that applicants will be informed of the outcome of their application within 8 weeks of submitting an application. This timescale may change depending on the level of demand.

Appeals

There is no appeals process. The decision of the decision-making panel is final.

Managing the risk of fraud

Neither the Government nor Northumberland County Council will accept deliberate manipulation and fraud - and any business caught falsifying their records to gain grant money will face prosecution and any funding issued will be subject to claw back, as may any grants paid in error.

It is important that applicants ensure that they provide accurate bank details for grant payments and that these relate to the business concerned

Will these grant schemes be subject to tax?

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