



## APPLYING FOR GOVERNMENT GRANTS

Who offers grants and who can receive them?

Thousands of people are searching for government grants. This is a brief guide on who offers grants, who qualifies to receive them and making a grant application

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## Introduction

Business support in the form of grants to help you start a business or develop specific projects can provide much-needed finance and sometimes expertise to help your business grow.

Grants are available for a number of business activities or projects around the UK, and cover many business sectors. Grant funding is intended to support and develop enterprise in the hope that it will also provide a boost to employment and the local economy. A variety of organisations and Government departments offer grants and as a small business, you may be eligible to access some of these.

This factsheet describes how grants work and the types of grants that are available. It also provides information about where to find grants and how to apply for them.

## What is a grant?

A grant is financial assistance, usually to start a business or for a specific project, which is given to your business by an awarding body. Grants provide finance to allow your business to undertake a specific project that, without financial assistance, would not be able to proceed. Such a project might involve the initial start up of the business, developing a new product or buying equipment.

A grant is usually a one-off payment and provides funding that covers a percentage of the costs of the project - normally, you or your business will have to meet some of the costs too. Unlike a loan, a grant does not usually have to be repaid, unless you fail to adhere to the specific terms and conditions of the scheme.

### **What can you get a grant for?**

Grants are available for a variety of projects, but each individual scheme will offer funding for a specific purpose. Whether you qualify for a grant can also depend on factors such as the type of business you run, the size of your business, whether the project will create jobs and where your business is located.

Grants may be available to cover one or more of the following activities:

- Advertising, marketing and promotion.
- Business expansion and relocation.
- Business start up and market testing.
- Setting up co-operatives and community enterprises.
- Environmental improvements.
- Exporting.
- Improving business premises.
- Information technology (IT) and e-commerce.
- Investment in capital equipment.
- New technology and innovation.
- Product design.
- Recruitment and training.
- Research and development (R&D).

- Security.

It is worth noting that grants cannot usually be used for working capital or simply to support the organic growth of your business.

### **Will you be eligible for a grant?**

Most grants in the UK have strict eligibility criteria or specific exclusions, for example for certain locations or industry sectors. Although individual schemes vary, there are some common themes across most grants.

Some areas of the UK have their own grants or specific schemes targeting social deprivation or high unemployment. Other grants are only available to businesses of a certain size, measured by turnover and/or the number of employees.

Certain sectors, including shipbuilding, coal and steel, agriculture and transport, are subject to special restrictions. Manufacturing businesses are more likely than others to qualify for grant support, while retail businesses are least likely to qualify.

Most grants are not available retrospectively. For instance, if you are planning to start a new business you should apply for any appropriate grants well in advance of the date you intend to start trading. You will not usually be eligible for this kind of funding if you have already started to trade, and if you have already purchased the equipment you are seeking a grant for it is unlikely that the application will be considered.

### **Who offers grants?**

Many publicly funded groups provide financial assistance to businesses. The awarding bodies for grants may be European, national or local organisations.

At a local and regional level, grants may be available from organisations such as:

- Local authorities (go to <http://local.direct.gov.uk/LDGRedirect/Start.do?mode=1> for contact details).
- Enterprise agencies (see <http://www.nationalenterprisenetwork.org/> and <https://www.enterpriseni.com/>).
- Former Business Link (England - <https://www.gov.uk/business-finance-support-finder>).
- Business Gateway (Scotland - <http://www.bgateway.com/>).
- Flexible Support For Business Wales - <http://business.wales.gov.uk/>.
- Invest Northern Ireland ([www.investni.com](http://www.investni.com)).
- Highlands and Islands Enterprise (HIE - [www.hie.co.uk](http://www.hie.co.uk)).
- Chambers of Commerce ([www.britishchambers.org.uk](http://www.britishchambers.org.uk)).
- Skills Funding Agency (<https://www.gov.uk/government/organisations/skills-funding-agency>).

Nationally, grants are available from various Government departments and agencies, such as:

- The Department for Business, Innovation and Skills
- (BIS - <https://www.gov.uk/government/organisations/department-for-business-innovation-skills>).
- UK Trade & Investment (UKTI -

<https://www.gov.uk/government/organisations/uk-trade-investment>).

- The Department for Environment, Food and Rural Affairs (Defra - <https://www.gov.uk/government/organisations/department-for-environment-food-rural-affairs>).
- The Scottish Government (<http://www.gov.scot/>).

The Welsh Assembly Government (<http://gov.wales/?skip=1&lang=en>).

Grants are also available for business owners aged 18-30 from organisations like the Prince's Trust (<https://www.princes-trust.org.uk/>) and for businesses in specific sectors from organisations such as the UK's Arts Councils ([www.artscouncil.org.uk](http://www.artscouncil.org.uk), <http://www.scottisharts.org.uk/>, <http://www.artswales.org.uk/> and <http://www.artscouncil-ni.org/>).

### **How do you apply for a grant?**

The grant application process will differ from scheme to scheme. However, these are some of the general stages that will apply to most situations.

Before applying:

- To find out what grant funding is available in your area and for your particular project, one of the best places to start is your local Business Link, Business Gateway, HIE, Flexible Support For Business or Invest Northern Ireland office. Most will have a directory of assistance available locally, nationally and at a European level. Advisers will be able to put you in touch with the relevant grant awarding bodies and will be able to help you through the application

process.

- Contact the awarding body and check that your project meets the specified eligibility criteria of the scheme to find out whether it is actually worth applying. Grant application forms can be lengthy and may take a lot of time and effort to complete. It is important to find out whether it is worth pursuing the application in the first place before you proceed. Ask the awarding body to send you an application form and more detailed information about the grant.
- Remember you will be required to prove that your business has a genuine need for grant assistance.

Most schemes will require you to supply a project plan or proposal, or frequently a business plan providing:

- A project description detailing the aim of the project and how it will benefit your business.
- Who will run the project, and what experience, knowledge and skills they have.
- The total cost of the project, and how much money is required.
- The length of the project and key deadlines.
- The location of the project.
- Why the project needs grant funding and what would happen if the support wasn't provided.
- How you intend to fund your share of the project's costs.

- How the project complies with the criteria set by the grant provider.
- Details about your business, when it was set up, its legal status, its activities and so on.
- Financial information about your business. This might require the submission of accounts and forecasts.

When making the application:

- Read any guidance notes that are supplied with the application forms. These will give you information on how to complete the form and could save you a lot of time and effort in the long run.
- Application forms will differ widely. You should follow the format required, be clear and concise, and include all the information relevant to the grant you are applying for.
- For national and European grants, you may have to submit two forms. A short initial form will be used to assess your eligibility for the grant and a second form will be much longer, providing detailed information about your business and the project you intend to undertake.
- Speak to someone involved with administering the grant who can help you with completing the form. Alternatively, seek the assistance of your business adviser or accountant to help you with your application.
- Your business plan should provide a lot of the detail for your grant application. You should make sure your business plan is up to date, and includes information about your experience, future plans and



financial requirements.

- When you have completed the application, make sure you check it over and ensure you have supplied all the information required. If your application is incomplete it will take longer to process and is more likely to be rejected. Also, if you provide misleading information the grant may be reclaimed.

### **What happens after the application has been submitted?**

You will probably have to wait some time before getting a decision on your grant application, ranging from a few weeks for local grants to several months for national or European grants. This is something you should consider when applying for grant funding. If you need immediate funding for your project, this is probably not going to be the best option for you.

### **Hints and tips**

- Always contact the grant provider before pursuing an application.
- Check for specific eligibility criteria and exclusions.
- Make sure you can prove you have a genuine need for a grant - and that without the grant the project would be unable to proceed.
- You will usually be required to meet some of the costs of the project (usually at least 50%), so ensure you are able to provide the extra finance.
- Make sure you have a detailed business and project plan.
- Wait until you have received written confirmation that your application

for a grant has been successful before you start committing finance to a project.

- If your grant application is declined, ask for feedback about why it failed. This should provide you with ideas on how to structure future applications.
- Apply as soon as possible. The chances of a successful application are always highest just after a new scheme is launched.
- Write your application proposal to match the awarding body's objectives. Awarding bodies expect to see specific targets and results that are compatible with their own objectives. Make sure you mention any benefits your project will bring, for example to your local community, the economy or the environment.
- Too many businesses put all their efforts into chasing grant aid, neglecting their core business purpose in the process, but this is a mistake. The first step is to decide what your business needs, then look at what this might cost to implement. Finally, explore whether grant aid might contribute towards the cost. Talk to your business adviser and other businesses in your sector for more advice.

## Small Business Resources

Add value to your brand by generating catch business and product names like Amazon, Google, Coca Cola, Yahoo, Blackberry and many more using the same business name generator used by top business and product naming companies: <http://www.businessnameidea.com>

Generate more leads, cash flow and profits for your business and pay only based on results. This web site connects small businesses with top traffic web sites like Google, Facebook, Youtube to generate constant flow of traffic and leads: <http://www.intelwebsolutions.com>

Information and tools for small business to help entrepreneurs develop and market their business and ideas: <http://www.2-small-business.com>