



South-East Urban Coast Creative Enterprise Support Scheme

Information & Guidance

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What is the SUCCESS Programme?

The South-east Urban Coast Creative Enterprise Support Scheme (SUCCESS) provides grants for creative businesses that are planning to start up or expand in Hastings (East Sussex), Tendring (Essex) or Thanet (Kent). It is funded from the Government's Regional Growth Fund (RGF).

What are the grants for?

We want creative businesses to grow and flourish and create more local jobs in Hastings, Tendring and Thanet. The grants are intended to contribute to the costs of starting up or growing your business, thereby creating new permanent part time or full time jobs or safeguarding existing jobs. The grants can be used for "revenue costs" such as part of the costs of staff, or "capital costs" such as equipment. (See below for further information on eligible investment).

How much are the grants worth?

You can apply for between £3,000 and £150,000. However you must also invest your own funds – 75% if you are an existing business and 50% if you are a start up.

So an existing business investing £40,000 in growth could apply for a grant of £10,000, matched by £30,000 from private sources.

A start-up business investing £40,000 could apply for a £20,000 grant.

See [page 6](#) for what counts as private sector funding and how you can show that you have this.



Who can apply?

To be eligible you must be planning to start up or expand your business, thereby creating or safeguarding permanent part-time or full-time jobs, and you must be in a position to invest the required level of private sector funds.

In addition you will need to fulfil the following criteria:

Location

You must plan to start up or expand your business within the local authority districts of Hastings, Tendring or Thanet. The following postcodes are in the eligible areas:

Hastings

TN34
TN35 4AA - TN35 5ZZ
TN37 6AA - TN37 7ZZ
TN38 OAA - TN38 1BH
TN38 8AA - TN38 9ZZ
TN40 2JU

Tendring

CO1, CO4, CO7, CO11, CO12, CO13, CO14, CO15, CO16

Thanet

CT10, CT11, CT12, CT7, CT8, CT9

If you are not currently based in one of these areas but intend to move there, you will have to show that you are not simply moving jobs from one place to another - you must be creating additional new jobs.

Legal Status

An appropriate legal status could be sole trader (self employed), partnership, limited company, community interest company, company limited by guarantee, or industrial and provident society. Not for profit businesses, co-operatives and social enterprises are welcome to apply, as are charities as long as they have a trading arm under one of these legal entities.

If you are a start up business you will have to state what legal status you intend to adopt, and you will have to have this in place before any grant payment will be made. Your business must have a business bank account.

Business size

Your business must employ less than 250 people. If you are a section or a subsidiary of a larger business, the whole business must employ less than 250 people. The whole turnover must be less than less than €50m a year, or assets worth less than €43m.

Creative industries

Your business must operate within the creative sector. This includes (but is not limited to) architecture, art and antique markets, crafts, design, fashion design, film video and photography, software computer games and electronic publishing, music, visual and performing arts, publishing, television and radio, printing, venues, galleries and studios, and educational and community arts.

Broader cultural and leisure activities such as heritage, visitor attractions, sport and retail are **not eligible**.

If you think your business may be eligible but is not included above, please email success@hastings.gov.uk.

Additionality and jobs

The SUCCESS scheme aims to maximise the number of jobs created or safeguarded. Therefore the more new employment you create in relation to the size of grant requested, the more likely it is that your application will be approved. As a rough guide, SUCCESS aims to achieve at least one permanent full-time-equivalent job per £7,000 of grant awarded. However the size of investment and number of jobs must be led by your business planning.

Additionality also means that a grant will not be awarded to help investments that would go ahead anyway. You will have to show that your investment will not be viable without grant support - i.e. that the grant will make a real difference.

State Aid

Your business may not receive more than EU State Aid limits - see [page 7](#).

What kind of investment will be eligible for a grant?

Investment costs relating to starting or growing a business will be considered. These might include, but are not limited to, the following:

- Employment costs (comprising gross wage and statutory social security contributions), freelance costs, professional fees relating to the investment (but not regular fees e.g. accountancy)
- Acquiring, fitting out, or refurbishing premises for the use of the business
- Launch, marketing and publicity for new a business or product
- Vehicles, only if essential to the operation of a business - e.g. a van for a theatre company
- Items such as computer, recording, video, tools and equipment - purchase and lease or hire costs may be considered
- Materials such as art and craft materials, fabrics, props (but not ongoing replacement of consumables)
- Intangible assets such as patent rights, and licenses

What counts as a permanent job?

A job is defined as permanent if the contract is for at least 12 months for at least 15 hours/week.

A full-time post must be 30+ hours/week; and a part-time post 15-29 hours/week.

Employment of freelancers can be considered, with full-time equivalency on the same basis as part-time work. In this case you must state the business case for this form of employment over conventional direct employment, and say why this is a sustainable solution.

Jobs must be contracted directly to the applicant. Jobs achieved by tenants or subcontractors are ineligible. However tenants and subcontractors may apply in their own right if eligible, and packaged applications from two or more businesses may be considered.

How to fill in the Expression of Interest and Full Application forms

Guidance on filling in both forms is given under each question within the forms.

We recommend that you view or download read-only PDFs of the **Expression of Interest** and the **Full Application Form** from the website. This will show the level of information you will need to provide. (Note that these PDFs are for reference only - you must complete the actual form online.)

Where can I go for help and advice?

Please see the "Advice and Support" page of the website:

www.success-creative-fund.biz/advice-support/

Who is responsible for the SUCCESS scheme?

SUCCESS is a partnership between Hastings, Thanet and Tendring Councils, with Hastings Borough Council acting as the lead partner, responsible for administering the fund across all three areas.



Contact

Contact SUCCESS by email at success@hastings.gov.uk

What is the process for applying for a grant and how long will it take?

Registration

Apply on the website and you will be given a link to your own online Expression of Interest form .

You should allow 3 to 4 months for the whole application process.

Expression of Interest (EoI) stage

Complete the online EoI form.

You can save it and return later. When you have completed it, press the submit button.

You will normally receive a response within 10 working days.

The decision may be:

- (a) approval to go ahead with a full application; or
- (b) to ask for further information; or
- (c) that the EoI is not eligible, and why.

Full Application

If the EoI is approved, you will get online access to the full application form. You will be expected to return the full application form, business plan and any supporting documents within 1 month.

Appraisal

If your documentation is complete your application will be independently appraised within 15 working days. The appraiser may contact you with further questions.

Decision

The SUCCESS Programme Investment Panel will decide on all applications, based on the appraisal report. The decision may be:

- (a) approval (possibly with conditions);
- (b) rejection (with reasons); or
- (c) that further work be done on specific issues.

The Investment Panel will meet monthly.

Its decision will be final.

Businesses may reapply.

Offer Letter

The applicant will be informed by phone of the decision, followed as soon as practicable by the issue of an Offer Letter. This will set out any conditions, outputs and milestones you must meet, which will be linked to a grant payment schedule.

Starting your investment

Once you receive the Offer Letter you may start investing funds in the project you have applied for. Any previous spend or legally binding commitment to do so (for example purchase equipment or employ staff) as part of the investment will be ineligible as match-funding, and may prejudice your application.

There may be exceptions for research and feasibility studies, or one off purchase opportunities, if cleared in advance.

Receiving grant

You will need to sign and return the Offer Letter.

Normally, you'll have to achieve two things before any grant is released:

- (i) you must have spent at least as much of your own money as the amount of the grant; and
- (ii) at least one of the new jobs must have started.

Apart from filling in application forms correctly, what else does the applicant need to do in order to increase the chances of success?

Aside from the questions of eligibility, the application process is designed to test whether you have a viable and sustainable business proposition, which will benefit the local economy and expand employment in the local creative sector.

You will need to show that you have:

- A good business plan
- The skills to put that plan into operation
- The private sector funding to invest, which together with the grant, will make it happen

This will be assessed through your Expression of Interest and Full Application.

The level of information required will be proportionate to the amount of grant being applied for.



Business planning

Your business plan should set out your plans and how you are going to realise them. As part of your business planning you will need to:

- Carry out market research to identify a market for your goods/services, identify your competitors and price your goods competitively
- Produce a marketing plan
- Identify your suppliers, carry out a sensitivity analysis and include risks in the supply chain in your risk analysis
- Identify capital requirements and assess options (e.g. for premises and equipment)
- For new businesses decide on appropriate legal status and structure and assess tax implications
- For existing businesses assess your current structure in light of plans for growth
- Assess skills needed to manage, run and grow your business and decide where to find those skills (e.g. from existing staff or board members, from buying in professional services, by creating new jobs)
- For prospective new jobs, decide on full time/part time/freelance, assess skills required, salary levels and recruitment method; work out full costs and realistic timetable for recruitment
- Consider training and development for your current and future staff
- Produce a budget and future cash flow which is compatible with your projections on costs and sales as well as demonstrating how the business will become viable and sustainable and how the grant will contribute
- Check on permissions required

- Work out a timetable for your investment including key milestones, purchases and job starts
- Carry out a risk analysis, identifying risk, seriousness, likelihood and mitigating action
- Carry out a sensitivity analysis to assess the financial impact of (for example) higher costs or lower sales, and to show the break-even point

There are a lot of factors here that all businesses have to consider. The level of description should be in proportion to the size, age and complexity of the business and the investment. Some points may be answered in one or two sentences, other points may demand much more detail.

Private sector funding

The grant will only make a contribution to your investment. You will have to find three times as much investment from the private sector, or an equal amount to the grant if you are a start-up.

This can take the form of loans or share equity, and you must show it is available to be spent when you apply.

You will also need to demonstrate that you have pursued all other reasonable ways of financing your investment. This includes approaching commercial banks for loans.

Requirements and evidence for match funding

Type of match funding	Required to go with full application	Required before funding can be released
Bank loan	Copy of Heads of Terms or conditional offer letter provided by the Bank. N.B. this should confirm offer of funds to your Company (£ value), and be provided on Bank letterhead paperwork or similar.	Copy of Bank Loan contract document duly signed / in force, confirming funds (£ value) have been provided to your Company. N.B. if the loan contract is not new then a copy of current business bank account statement showing that the loan provided remains available to the Company. (i.e. not already exhausted).
Company's own funds	Copy of current bank statement of Company confirming availability of funds.	Refreshed copy of current business bank account statement showing that the funds (£ value) remain available to the Company. (i.e. not already exhausted)
Overdraft facility	Copy of letter from Bank confirming level of overdraft facility available to Company.	Copy of letter from Bank confirming overdraft facility available / together with copy of current business bank account statement showing that the overdraft remains available to the Company (i.e. not already exhausted).
Own funds inc. owner's, partner's, director's, member's loan	Copy of a current bank statement showing where monies are held confirming availability of funds.	Copy of current business bank account statement showing that the funds have been provided /transferred to the Company / are available (i.e. not already exhausted).
Pension funds from Company	Letter of commitment from trustees of pension fund.	Trustee resolution confirming funding (£ value) available to the Company
Private investor/ New share capital/ New equity investors	Copy of Heads of Terms or conditional offer letter provided by the investor. N.B. this should confirm offer of funds to your Company (£ value), and be provided on the investors' letterhead paperwork or similar	Copy of current business bank account statement showing that the funding has been provided /transferred to the Company are available (i.e. not already exhausted).
Shareholder contributions	Heads of Terms	Shareholder agreement duly signed / in force confirming funds (£ value) have been provided to your Company, or Company bank statement showing credit values into the accounts identifying the shareholder contribution. N.B. if the shareholder agreement is not new, then a copy of a current business bank account statement must be provided identifying the shareholder contribution and showing that these funds remain available to the Company.
Investment in kind	Only in exceptional circumstances will investment in kind (e.g. equipment) be accepted as match funding. In this case an evidence of value will be required. Please discuss with SUCCESS Team.	In the case of purchased items: Invoice from supplier, plus bank statement showing item of expenditure and cost or other auditable document (e.g. receipt on headed notepaper) of equal probative value, plus visual evidence of item at business location. In the case of wages or fees: contract (or contract of employment plus wage slips), and bank statement showing item of expenditure or drawings. For buildings, evidence of level of commercial rent (e.g. in letter from commercial property agent and of any rent currently being paid.)
Eligible expenditure	Only in exceptional circumstances will expenditure incurred before approval of a grant be accepted as match funding. Please discuss with SUCCESS Team.	

Other types of match funding can only be used with the express approval of the SUCCESS Team

State Aid

In order to ensure that the European free market works effectively and that businesses don't get unfair advantage, the EU regulates the funding businesses can receive from the public purse, known as State Aid.

The SUCCESS Programme will mainly operate under de minimis rules for State Aid. This means that SMEs can receive no more than € 200,000 (about £160,000) in state funding in any 36 month period. Your application will need to list what State Aid support you have received over the past 36 months. If you are a subsidiary you will need to include support for the whole business.

You should consult with your own legal and accountancy advisors before ruling out any State Aid implications.

If you think there is any chance that a SUCCESS grant would take you over the £160,000 limit, you must consult with the SUCCESS team. You may still be able to apply under other EU regulations.

Neither HBC, nor the Partner Districts of Thanet and Tendring, nor the SUCCESS Programme will take any legal responsibility for any decisions that you take in this regard.



1: Is aid granted by the State or through State resources?

State resources includes public funds from the EU, and central, regional or local government, or other public or private bodies designated or controlled by the State, such as the Arts Council and National Lottery. It includes indirect benefits such as tax exemptions that affect the public budget.

Normal purchases by a State body at market value (including commissions, supplies and services) are not State Aid.

2: Does aid favour certain undertakings or the production of certain goods?

An undertaking is an entity engaged in economic activity for which there is a market in comparable goods or services. It can include voluntary and non profit-making public or private bodies such as charities or universities when they engage in activities which have commercial competitors. It includes self-employed/sole traders, but generally not employees as long as the aid does not benefit the employers, private individuals or households.

A benefit available to all businesses is not State Aid, it is a general measure. To count as State Aid the aid must be only available to certain undertakings but not others in (for example to individual businesses, sectors, areas, sizes of business, or production of certain goods).

State Aid favours businesses by conferring a direct or indirect advantage on them.

3: Does aid distort or threaten to distort competition?

Does it potentially or actually strengthen the position of the recipient in relation to competitors? Almost all selective aid will have potential to distort competition - regardless of the scale of potential distortion or market share of the aid recipient.

4: Does aid actually or potentially affect trade between EU Member States?

Most products and services can be traded internationally, therefore aid for almost any selected business or economic activity is capable of affecting trade between EU States, even if the aided business itself only operates within one country. The only likely exceptions are single businesses such as a hairdresser or dry cleaner with a purely local market not close to a border.

Examples of State Aid

- Arts Council and National Lottery grants
- Interest rate relief or favourable loan terms (the value of State Aid is the difference between the preferential and commercial rate)
- Tax relief, exemptions or credits
- State guarantees or holdings
- State provision of goods or services on preferential terms
- Direct subsidies
- Relief from charges a business would normally bear
- Acquisition of land or buildings either gratuitously or on favourable terms
- Provision of assets, goods and services at below market value
- Indemnities against operating losses
- Reimbursement of costs in the event of success

- Dividend guarantees
- Public bodies buying assets, goods or services at above market value
- Preferential public procurement
- Reduction of, or exemption from, charges or taxes, including accelerated depreciation and the reduction of social contributions
- Deferred collection of fiscal or social contributions
- Assistance financed by special levies
- Capital transfers
- Certain State holdings in the capital of undertakings

Less obvious examples where State Aid might arise include:

- Consultancy advice
- Advantages resulting from the activities of agencies for urban renewal
- Assistance to help companies invest in environmental projects
- Assistance to help a public enterprise prepare for privatisation
- Legislation to protect or guarantee market share
- Public private partnerships and contracts not open to competitive tendering
- Receipt of landfill tax credit funding
- Free advertising on State owned television
- Infrastructure projects benefiting specific users

Further information on State Aid is on the government's website at www.gov.uk/state-aid