



# YOUNG BUSINESS CAPITAL INVESTMENT GRANT

The Young Business Capital Investment Grant fund aims to stimulate an increase in productivity, innovation and employment in the region through capital investment in young businesses and social enterprises who have been trading for less than five years.

## ABOUT THE FUND

The fund is aimed at businesses and social enterprises who can demonstrate at least one of the following outcomes as a result of securing funding:

- Create or retain well paid jobs. We work with businesses that pay the real living wage and apply fair work conditions.
- Create or retain green jobs. Cutting CO2 emissions is an overarching goal. Green jobs can involve the production of goods or services that benefit the environment or conserve natural resources.
- Increase efficiency and outputs. We support businesses to increase productivity by investing in new products, processes or services. This can be achieved through innovation, R&D, technology or reductions in carbon emissions and waste.
- Focus on sustainability and growth. We aim to achieve long-term benefits with organisations that can grow sales, increase turnover and reach new markets in Scotland and beyond.

## HOW MUCH FUNDING CAN I APPLY FOR?

The scheme can provide grant funding of up to 50% of eligible costs for capital equipment and capital works.

The minimum grant available is £5,000 and the maximum grant available is £100k.

## WHO IS ELIGIBLE TO APPLY?

- SME's (organisations with less than 250 full time equivalent employees) based in the Highlands and Islands.
- Unincorporated forms of business ownership e.g. sole trader, partnership, limited partnership, as well as incorporated legal forms of business ownership e.g. limited companies, companies limited by guarantee, community interest companies, limited liability partnership etc. are eligible to apply.
- The applicant must be a start-up/young business or social enterprise **less than five years** from start of trading activity.
- Applicants must be able to demonstrate that they are operating in a growth sector\* (see bottom of page) and have a clear ambition to be operating out with local markets.
- Applicants must comply with HIE's fair work conditions for grant support. This includes:
  - ▶ Paying your employees aged 18 years or over the real living wage as a minimum, currently £9.90 per hour.
  - ▶ Having a flexible working policy in place and a current fair work action plan.
  - ▶ You must also be able to demonstrate how you support workforce development and foster employee engagement.

For more information, please visit our [fair work page](#). If you want to speak to someone about the fair work requirement or need more information, please email [enquiries@hient.co.uk](mailto:enquiries@hient.co.uk) and we will get a member of staff to contact you.

## WHO IS NOT ELIGIBLE TO APPLY?

- New operators taking over an existing, currently trading business or social enterprise are not eligible to apply, unless they can demonstrate that they are proposing to take the business in a significantly new direction.
- Businesses in the retail, business services e.g. accountants, book-keepers, solicitors etc., and personal services e.g. hairdressers, beauticians, alternative therapists, dog groomers etc., are not eligible to apply.
- Businesses in the hospitality sector operating from their own homes e.g. B&B or AirBNB type businesses, are not eligible to apply.

## WHAT CAN THE FUNDING BE USED FOR?

- The funding can be allocated towards most categories of capital investment, included but not limited to purchasing equipment, fixtures, fittings and IT infrastructure, for example.
- The fund can also be used toward the construction, adaptation or upgrade of premises or other business infrastructure.

## WHAT CAN THE FUNDING NOT BE USED FOR?

- Applicants **cannot** claim for equipment that has already been ordered or purchased and/or capital works underway prior to your application to the fund.
- The funding **cannot** be used for any type of motor vehicle or trailer (including mobile homes and caravans).
- The funding **cannot** be used for glamping pods or equivalent infrastructure and temporary buildings/infrastructure e.g. portacabins.

## HOW DO I APPLY?

The application process follows a **two-stage process**. The first stage is to complete the online Expression of Interest Form (EOI) available above. Your EOI will be reviewed and if your application meets basic criteria, you will be allocated a development manager who will assist you to make a full application.

## WHAT INFORMATION IS REQUIRED TO APPLY AT STAGE TWO?

To make a full application at stage two, you will require:

- A three-year business plan. If you do not have a current business plan, Business Gateway can advise you on how to put one together. Visit [bgateway.com](https://www.businessgateway.com) to find your local office.
- An outline of the capital equipment or capital works you wish to invest in. This should include details of the costs and the purpose for which it will be used and the benefits it will bring to your business e.g. growth in turnover; job retention or creation; producing goods or services that will help you access new markets or adapt to new market conditions; improve resilience; improve working conditions; increase productivity levels etc.
- Latest set of audited accounts and set of management accounts up to one month before application date (this is not required for start-ups).
- We will require two quotes for any proposed capital works\*\* and/or individual items of capital equipment with a value of £25k or over. We will require one quote for items less than £25k.

\*\*Please note that funding for capital works will only be released upon production of necessary statutory consents e.g. planning permission and building warrant.

## APPLICATION PROCESS AND TIMELINE

- Applicants who wish to apply should complete the EOI form above form by 12 noon on 29 July 2022.
- You should hear whether your application can progress by the next stage by 12 August.
- The deadline for full applications to be submitted is 23 September 2022.
- The scheme is NOT operating on a first come first served basis – applications will be assessed on their individual merits after the application deadline date.
- You will be advised of the outcome of your application no later than the end of October 2022.
- Claims must be made within **four weeks** of project completion and in any event by 15 March 2023.

## THE SMALL PRINT - THIS IS IMPORTANT

- All HIE grant assistance is discretionary.
- Grant awards are subject to due diligence and budget availability. Due diligence includes: making an assessment on the need for public funding; the viability of the business going forward; the ability of the applicant to deliver the project; the impact of the development on the economy, and the strength of the business case presented to HIE.
- Making an application to the scheme does not guarantee that your application will be successful. If you are not successful in your application or you are only partially successful e.g. you receive funding of a lesser amount than you applied for, we will arrange a call with you to let you know why you have been unsuccessful and point you in the direction of other possible sources of funding.
- There is NO appeals process. We are unable to consider a complaint purely relating to dissatisfaction as to the outcome of a funding decision. However, if you have identified a specific process failure relating to your application, then you may wish to make a formal complaint. See our formal [complaints process](#) for more information.
- For applicants that are successful in being awarded a grant, **claims must be made within four weeks of project completion and in any event by 15 March 2023**. In exceptional circumstances this deadline may be extended.

## NEED TO SPEAK TO US?

If you would like to talk to someone about your application, please email [enquiries@hient.co.uk](mailto:enquiries@hient.co.uk) and we will get back to you.

## \*GROWTH SECTORS

- food and drink manufacturing/processing
- textile manufacturing/processing
- renewable energy production including marine renewables, and associated supply chain
- oil and gas decommissioning
- nuclear decommissioning
- timber processing and manufacturing
- other manufacturing, technology and advanced engineering companies
- space industry and associated supply chain
- aquaculture/fish and shellfish farming
- life sciences - including seaweed production, marine bioprocessing, animal health, medical devices development and manufacturing, drug development and manufacturing
- digital technology and innovation
- tourism – particularly development of sustainable high quality visitor attractions and experiences
- construction innovation
- any sector which is new or novel to the region

**APPLY NOW**