



## **APPLICATION GUIDANCE**

**&**

## **FREQUENTLY ASKED QUESTIONS (FAQ)**

**Blackpool Council**

**Blackpool  
Unlimited**  
Inspiring Business Success

# BLACKPOOL INVESTMENT FUND (BIF)

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## 1. PURPOSE OF THE FUND

Blackpool Council has established a new fund to assist local businesses to bring forward their investment plans to create wealth and jobs in the local economy.

The fund is being launched at a time when a number of public funding opportunities are available in Lancashire, including significant capital grants aimed at businesses capable of delivering growth with further investment. The *Blackpool Investment Fund* aims to complement this pool of resource, and in certain cases support investment that is not deemed eligible by these funds e.g. retail schemes.

Where an application for financial assistance aligns with the Council's **investment priorities**, the fund aims to provide flexible gap finance in the form of loan, grant, or combination, to tip the balance in favour of a project going ahead. The fund should therefore be seen as a form of co-finance working alongside other secured funds, rather than a fund of last resort.

The investment fund will support the following types of application: -

- **Loan only** – towards an overall business expansion proposal
- **Capital grant only** – supporting investment in machinery, property improvement, building expansion, or associated infrastructure improvements
- **Loan and capital grant combination** – where there is a distinct need for capital investment as well as an additional loan requirement.

The ratio of BIF funds to applicant secured finance differs per investment priority – details of which can be found in **Section 7: intervention levels**.

Each application will be judged on its own merits by the Council's Investment Panel but some broad eligibility criteria apply and are set out below. An FAQ has also been included – from page 9 onwards.

## 2. INVESTMENT PRIORITIES

Blackpool Council is looking to co-invest in the following priorities:-

1. **Blackpool Town Centre** – commercial or cultural investment adding value to the existing town centre offer, including projects that seek to bring new activity to empty commercial properties. See map in ‘Related Documents’
2. **South Beach District Centre** – supporting the growth of independent traders with sustainable year round business models, including projects that seek to bring new activity to empty commercial properties. Other investment will be considered on a case by case basis where it is capable of generating new job opportunities. See map in ‘Related Documents’
3. **Existing Businesses with Growth Ambitions** – supporting plans for growth from established businesses and investors (typically trading more than three years). Applicants will be expected to maximise other sources of finance prior to applying to the fund. Fund advisors will be able to broker advice on alternative funding sources.
4. **New Businesses With Growth Potential** – the fund will support businesses trading less than three years that have the potential to generate significant growth and jobs in the future. An up-to-date business plan will be required endorsed by the Council’s [Get Started service](#).

### **3. ELIGIBLE APPLICANTS**

Eligible businesses and investors will include the following: -

- New or existing businesses that are based in or locating to Blackpool and wish to expand their operations, generate growth and jobs;
- Businesses or commercial investors/landlords looking to invest in Blackpool town centre or South Beach District Centre;
- With the exception of social enterprises, third sector organisations (i.e. charities, voluntary agencies) are not eligible to apply to the fund.
- The fund will not invest in any project that is deemed to actively displace existing business activity within Blackpool; or bring the Council into any form of disrepute.

### **4. ELIGIBLE FINANCIAL SUPPORT**

- Minimum financial support of £2,000 to a maximum of £150,000. Capital grants or loan-grant combination will not exceed a ratio of 1:2, and for larger loans 1:3.
- Capital grants are restricted to small and medium sized enterprises (SME)<sup>1</sup> who have received less than 200,000 Euros in public support in the last three years.
- Loans will be made available on a competitive commercial rate depending on levels of assessed risk and size of funds requested. Typically the interest rate will be between 4 and 8% i.e. starting at 3.5% above base rate (at September 2013). Rates chargeable may fluctuate according to the prevailing Bank of England base rate.
- Larger loans may require personal guarantees or charges against fixed property assets.
- Loan repayment will be typically no longer than 5 years - 3 years for smaller loans.

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<sup>1</sup> A small and medium sized business (SME) is defined as any enterprise with less than 250 employees and either less than 43m Euro's turnover or less than 43m Euro's net assets.

## **5. WHAT CAN LOANS BE USED FOR?**

This will vary according to the needs of each business, but will cover a variety of areas necessary to secure business growth, or simply to generate new investment in the town and district centres outlined (e.g. marketing, research & development, exporting, co-funding capital investment that cannot be achieved through existing finance or grants secured, financial planning/cashflow management during an expansion phase, etc).

### **Ineligible Loans**

Loans (or grants) will typically not be approved to comply with existing creditor, tax or other statutory obligations.

## **6. CAPITAL GRANTS – WHAT WILL WE CO-FUND?**

Capital grants will only be approved where there is a clear case for intervention and it is deemed essential in order for an investment proposal to come to fruition. In other words it will be the exception rather than the rule. Preference will be given to allocating loans so that BIF can be replenished over time and support other investment proposals. The Investment Panel may decide to offer a loan only, a grant only, or a combination of the two and any decision is entirely discretionary. The case must be made by the applicant for the capital grant as a distinct element of the funding request.

Capital grants will only be supported against certain eligible costs. See below for an overview of what may be considered. This is quite wide ranging but is not intended to be an exhaustive list – other areas may be considered. Please e-mail [bif@blackpool.gov.uk](mailto:bif@blackpool.gov.uk) if you require any further clarification.

If a capital grant has already been applied for from alternate sources then this will be taken into account in any offer from the fund to a) ensure state aid is not breached  
b) determine whether an additional capital grant is necessary.

### **Eligible Capital Costs**

- Construction of new business premises for bespoke business needs
- Adaptation/expansion of existing business space to accommodate growth plans
- Refurbishment of premises deemed essential to enable growth or bring commercial properties back into productive use e.g.
  - Site preparation and construction costs including provision of essential services (building materials, fixed equipment and fittings)
  - Mezzanine floors
  - Improved environmental systems, equipment & energy reduction measures
  - Accessibility improvements as part of a larger project e.g. lifts, DDA compliant doorways etc
  - Security systems, as part of a larger project
  - Architects, structural surveys and other design fees
- Acquisition of essential fixed equipment for business growth (i.e. ICT infrastructure & related software, plant and machinery)
- Exterior improvements deemed essential to modernise or bring business premises back into productive use including décor, signage, window replacement/restoration, new/improved shop frontages, or associated landscaping.
- Architectural design or construction related survey fees

### **Ineligible Capital Costs**

- Professional fees relating to planning, building regulations or land/property acquisition.
- Compliance with statutory Health & Safety requirements e.g. food hygiene, fire safety or associated equipment.
- Acquisition, leasing, or HP of vehicles or other equipment deemed to be 'mobile'.
- Any retrospective costs that have been incurred, or any works that have been commissioned prior to a formal approval.

## 7. BIF INTERVENTION LEVELS: HOW MUCH CAN YOU APPLY FOR?

Priorities	Defined Area	Funding Limit (both loan & grant)	Grant or Loan Intervention Rate	Loan-Grant Facility
<b>Blackpool Town Centre</b>	See map in 'Related Documents'	Minimum: £5,000 Maximum: £75,000	33%	Loan <u>or</u> loan-grant combination  No more than 1/3 <sup>rd</sup> of the total scheme value. e.g. £225,000 scheme: £75,000 loan <u>or</u> loan-grant combination.
<b>South Beach District Centre</b>	See map in 'Related Documents'	Minimum - £2,000 Maximum - £75,000	33%	Loan <u>or</u> loan-grant combination.  No more than 1/3 <sup>rd</sup> of the total scheme value. e.g. £225,000 scheme: £75,000 loan <u>or</u> loan-grant combination, £150,000 other sources.
<b>Existing Companies With Growth Ambitions</b>	Blackpool Local Authority boundary	£150,000	20%  Loan only	Loan only.  e.g. £750,000 project: £150,000 loan, £600,000 other sources.  If capital investment is required you may be eligible for the <a href="#">Accelerating Business Growth Fund</a> . If alternate loan finance is needed we recommend enquiring first with the <a href="#">Access2Finance</a> service.
<b>New Businesses With Growth Potential</b>	Blackpool Local Authority boundary	£50,000	33%	Loan <u>or</u> loan-grant combination  No more than 1/3 <sup>rd</sup> of the total scheme value. e.g. £150,000 scheme, £50,000 loan <u>or</u> loan-grant combination, £100,000 other sources.  If capital investment is required refer to the <a href="#">FUSE fund</a> as a possible source.

## 8. THE APPLICATION PROCESS

There is a two stage online process involved in applying to the fund.

### **STAGE ONE:**

Complete an online **Expression of Interest (EOI)** form.

If the project is deemed eligible, applicants will receive an email inviting them to complete a stage two online Full Application. EOI applications will be responded to within 5 working days. In some cases initial company/site visits will be required at this stage.

### **STAGE TWO:**

Complete the **Full Application** and submit any supplementary information as requested e.g. accounts, business plans, building plans, etc.

- (a) Following receipt of the full application, an appraisal will be undertaken and a company/site visit arranged with the applicant.
- (b) A report will be prepared for the Council's Investment Panel for consideration. The Panel will meet on an ad hoc basis according to demand.
- (c) Applicants will be informed of the panel decision which will be an approval, deferral pending further information, or a rejection. There is no right of appeal on a rejection.
- (d) If approved an offer letter and associated legal agreement will be forwarded to the applicant for authorisation and return. Loan funds will normally be paid upfront unless there is a phased offer. All capital grant aid will be paid in arrears based on evidence of expenditure (i.e. paid invoices and bank statements).
- (e) The length of time taken to receive a decision on a full application will be determined partly by whether an applicant has supplied all relevant information requested. A full application will typically be presented to the Investment Panel for a decision within two working weeks of receipt of all information.
- (f) If successful you will receive e-mail confirmation followed by a grant/loan offer agreement.

**CLICK [HERE](#) TO APPLY NOW**

E-mail [bif@blackpool.gov.uk](mailto:bif@blackpool.gov.uk) if you require any further clarification and an advisor will contact you as soon as possible.



# BLACKPOOL INVESTMENT FUND - FAQ

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This **FAQ** aims to answer any further questions you may have about the Investment Fund and how it works. It will evolve over time.

If you have any unanswered queries please e-mail [bif@blackpool.gov.uk](mailto:bif@blackpool.gov.uk)

## **1. How much funding is available?**

The initial fund is worth an initial £500,000 but will be topped up as and when required to support quality investment opportunities.

Preference will be given to loans unless a clear case for capital grant is provided.

## **2. What is the application process?**

The fund operates on an open call basis with no fixed deadlines. The application process is 2 stage: applicants are required to complete a light touch expression of interest. Once eligibility has been confirmed, you will be invited to submit a full application to illustrate the business case for investment.

## **3. Who can apply?**

The fund is open to companies/investors based in or locating to the Blackpool local authority boundary. It is not open to voluntary or community sector organisations unless they are trading as a social enterprise.

It is predominantly aimed at small and medium sized companies who are able to take advantage of other loan and grant schemes currently available. Larger investors are not ruled out for loan requests.

## **4. What is a small and medium sized enterprise (SME)?**

A small and medium sized enterprise (SME) is defined as any business with less than 250 employees and either less than 50m Euro's turnover or a balance sheet total less than 43m Euro's. The assets of the controlling larger group may also be taken into account.

## **5. Who makes the decision on a full application?**

An investment panel takes the final decision. The Investment Panel comprises the Council's Chief Executive, Borough Treasurer, Head of Legal Services, and Assistant Chief Executive for Regeneration, Tourism & Culture.

The panel will approve, reject or ask for further information on a funding request. The Panel decision is final and there is no right of appeal.

**6. Can I make an offline application?**

No. All applications should be made online to save on administrative costs. If you are experiencing any technical problems please call (01253) 477333.

Any legal documents associated with loan or grant offers will be hard copy and require authorisation from the applicant.

**7. What are the boundaries of Blackpool town centre?**

Investment projects will be encouraged in the following defined area. See map in 'Related Documents'.

**8. What are the boundaries of South Beach district centre?**

Investment projects will be encouraged in the following defined area. See map in 'Related Documents'.

**9. Can larger companies apply to the fund?**

Yes, although it is recommended that pre-application discussions take place first.

E-mail: [bif@blackpool.gov.uk](mailto:bif@blackpool.gov.uk) and we will contact you as soon as possible. An online application will still be required if encouraged to apply.

**10. What is State Aid?**

State Aid only applies to the grant element of this fund, as loans will be offered on a commercial basis.

Grant aid offered under this scheme is delivered through the EU De Minimis Regulations, which determines the amount of funding available to SMEs in a given period. The regulation specifies that aid measures up to 200,000 euro's per company over 3 fiscal years do not constitute State Aid within the meaning of the EU Treaty.

**11. Are there any charges or securities requested when applying to the fund?**

Loan arrangement (including legal and administration fees) are chargeable but will depend on the size and complexity of the loan deal.

Larger loans may incur a larger legal fee associated with arranging guarantees or charges against an asset.

All capital grants will have a clawback arrangement in place if the grant has not been used for the purpose applied for. This will be detailed in the grant offer letter.

**12. Are there any conditions attached to the finance?**

Yes. Loans and Grants can only be used for the purpose they are intended for e.g. purchasing equipment, or property improvement. Funding may be phased

depending on the achievement against agreed job targets. Failure to fulfil obligations may result in clawback of all or part of a capital grant offered or a request for early repayment of loan funds.

### **13. Can property investors apply to the fund?**

Yes as long as the commercial or industrial property is contained within Blackpool local authority boundary. Property development in Blackpool town centre or South Beach district centre is particularly encouraged. Speculative development is not eligible.

Investors will need to demonstrate that the property in question is catering to a bespoke business need capable of creating jobs. All information will be treated as commercial and confidential.

### **14. What other finance is available other than from Blackpool Council?**

There are a number of loan and capital grant funds worth exploring with partner agencies – indeed priorities 3 & 4 of the Blackpool Investment Fund have been designed to link to such funds.

Priority 3 - The [Accelerating Business Growth Fund](#)

Priority 4 - The [FUSE fund](#)

An impartial advisory service is also available to North West businesses to understand the full range of funds available. This is operated by the [Access2Finance](#) service.

### **15. Can Hotels and Guest Houses apply to the fund?**

Yes - the fund will consider high quality applications from establishments wishing to attain a minimum of 4 star national accreditation (Visit Britain standard), and capable of creating new jobs *as a direct result of the project requiring funding. Owners will be expected to undertake and pay for an 'Advisory Visit' from Quality in Tourism which will identify the star rating potential of the planned work, prior to be invited to complete a full application to the fund. Details of the Advisory Visit and related costing can be found here <http://www.qualityintourism.com/learn-more-apply/advisory-visit/>.*

### **16. OTHER BUSINESS SUPPORT FOR GROWTH COMPANIES?**

**Support for growth oriented businesses** is available at a Lancashire level and can be accessed via [Boost Business Lancashire](#) – a dedicated business growth portal. This includes access to specialist coaching, mentoring, innovation support, and finance.

**Looking to recruit in Blackpool?** Why not try the Council's lead employment agency - [Positive Steps into Work](#). This tailored service has been designed to get unemployed people back into work by matching their skills and experiences to the needs of local businesses looking to recruit. It's all part of our commitment to

regenerating Blackpool and making it a better place to live, work and do business. We've helped hundreds of businesses find the staff they need to grow.

To arrange a visit from one of our Employment Brokers contact the Positive Steps into Work team on (0800) 073 2007 (free from a landline) or email [positivesteps.intowork@blackpool.gov.uk](mailto:positivesteps.intowork@blackpool.gov.uk)