Vale of Glamorgan Business Development Grant

Llywodraeth Cymru Welsh Government

Wedi ei ariannu gan Llywodraeth y DU

Funded by UK Government

CRONFA GRANT DATBLYGU BUSNES Y FRO
meithrin twf economaidd
VALE BUSINESS DEVELOPMENT GRANT FUND
fostering economic growth

GUIDANCE NOTES

Before completing an application, applicants are advised to read these Guidance Notes.

1. WHAT IS THE LOCAL GROWTH FUND?

The Local Growth Fund (LGF) is a new programme funded by the UK Government and delivered in Wales through the Welsh Government over the period 2026 to 2029. The fund replaces the UK Shared Prosperity Fund (UKSPF) and provides a mix of capital and revenue funding to support business growth, skills and employment, and strategic infrastructure projects, with investment priorities agreed jointly by the UK and Welsh Governments. In the Vale of Glamorgan, the Council has been allocated one year of transition funding for 2026/27, which will be used to deliver projects that strengthen the local economy, support businesses to innovate and grow, improve skills and employability, and provide grant funding opportunities for local enterprises.

2. INTRODUCTION TO THE GRANT

The Vale of Glamorgan Council is committed to supporting economic growth and business development across the county. The Business Development Grant is funded through the Local Growth Fund (LGF) and aims to support businesses to become more productive, competitive and innovative.

The grant will support SMEs to grow, increase productivity, invest in innovation, and access new markets.

3. STRATEGIC FIT (LGF PRIORITY 1)

This scheme aligns with LGF Priority 1: More Productive and Competitive Businesses. Projects must demonstrate support for business growth, innovation, capital investment, or market expansion. The full breakdown of this Priority is included in Annex 1 of this guidance.

4. THE OFFER

- Grants from £8, 000 to £50,000
- Up to 50% intervention rate
- Paid retrospectively subject to evidence

Priority will be given to projects that create jobs, improve productivity and leverage private investment.

In line with the LGF, the grant seeks to support enterprises within the following priority areas for the Vale of Glamorgan, which have been identified in the Regional Skills Partnership.

Priority sectors include:

- Advanced Materials and Manufacturing (including food manufacturing)
- Compound Semiconductors
- Construction
- Creative
- FinTech
- Human Foundation Economy (Education, Health, Social Care, Childcare & Emergency Services (excluding statutory services)
- Human Foundation Economy (Hospitality, Retail & Tourism)

The above sectors will be given precedence when reviewing applications.

IMPORTANT: The grant award must adhere to strict guidelines with works concluded, claimed and evidenced before the 31 March 2027. Funding letters for successful applicants will stipulate a specific business claim deadline, which will be not later than 19 February 2027.

5. WHO CAN APPLY

Enterprises with high growth potential are defined as a sole trader, micro business, small and medium-sized enterprise, or large business. It also includes social enterprises where these engage in economic activity, as well as start-ups (businesses with less than or equal to, two years of trading.) That is based in the Vale of Glamorgan and can demonstrate a minimum of 1 of the following:

- demonstrate strong growth potential, including, for example, the ambition to grow - by 20% year on year;
- create at least 10 new full-time jobs in the next 3 years;
- to trade in international markets;

OR

- to exceed £3m of trading over 3 years.

Grant support in this context means targeted assistance designed to help achieve growth in areas such as employment, turnover, productivity, innovation, or market expansion.

Note: SME's (Small, Medium Enterprises with less than 250 employees and an annual turnover of under £50 million) will be prioritised.

The Business Development Grant is aimed at established businesses, with at least 12 months of trading.

Applications that do not clearly demonstrate growth ambition will be deprioritised.

6. ELIGIBLE PROJECTS (CAPITAL)

- Capital: Plant, machinery, equipment, digital technology, premises expansion (Purchase and Hire)
- Capital works, including refurbishment of buildings and open spaces.
  Specialist revenue (linked): Installation, technical training, consultancy, linked to project implementation costs.
- Irrecoverable VAT

7. INELIGIBLE COSTS

- Day-to-day running costs (e.g. core staff, utility bills, council tax, rent and insurance)
- Projects that are more appropriate for support from other funding schemes
- Projects that cannot demonstrate need
- Stock and materials for production
- Projects costs incurred before we confirm our grant offer
- Items that mainly benefit individuals
- Businesses which are associated with the promotion of particular religious or political views; gambling; pornography; offering sexual services of any kind; any illegal activities; and other business deemed to be 'novel and contentious' by the Council.
- Hospitality e.g. Purchase of alcohol
- Routine repairs and maintenance – e.g. Boiler servicing, grass cutting
- Projects that do not take place in the Vale of Glamorgan
- Recoverable VAT

8. OUTPUTS & OUTCOMES (PRIORITIES & DESIRABLE)

Projects must deliver outputs such as jobs created, enterprises supported, and technology adoption. Outcomes include productivity improvements and new market engagement.

All projects must contribute to the Local Growth Fund Priority 1 outputs and outcomes.

Applicants will be required to identify and commit to delivering a proportionate set of outputs and outcomes, for the level of grant investment requested.

Projects that fail to deliver agreed outputs and outcomes may be subject to clawback.

8.1 PRIORITY KEY PERFORMANCE INDICATORS (KPI'S)

Priority Outputs: The grant application should seek to support at least one of the following

- **OP03:** High Growth potential businesses supported to scale up

Priority Outcomes: The grant application should seek to support at least one of the following

- **OC01:** New Jobs created (FTE)
- **OC04:** Enterprises with improved productivity within 6 months
- **OC05:** Enterprises successfully transitioning into higher size bands*
- **OC07:** Increase in private sector co-investment

These KPIs reflect the core purpose of the fund: growth + productivity + investment

***All successful applications will need to supply evidence to support OP05 Number of enterprises receiving grants, during the claims process.**

8.2 DESIRABLE KEY PERFORMANCE INDICATORS

In addition to the Priority KPIs, projects should have the ambition to deliver at least one of the following Desirable KPI's, particularly for higher-value grants:

Growth and Market Expansion

- **OC06:** Increase in international exporting (£0m)
- **OP02:** Enterprises engaged in new markets

Innovation and Technology

- **OP09:** Adoption of new technologies/processes
- **OP10:** Improvement in technology readiness (TRL)
- **OC08:** New-to-market products

Innovation Ecosystem / Collaboration

- **OP07:** Knowledge transfer and collaboration
- **OP08:** Intellectual asset applications
- **OC09:** RD&I funding leveraged

Applications that do not clearly demonstrate growth ambition may be deprioritised.

Please be aware that each KPI Output and Outcome have strict evidence criteria, which can be found in Annex 1 of this Guidance. All successful applications must provide the required evidence, or funding will be withdrawn or recovered, as applicable to the stage of the award.

Annex 1 of the guidance also shares additional KPI information referred to as Secondary Units. Please reference these in your application if relevant to your project application.

9. APPLICATION WEIGHTING IN ASSESSMENT

Applications will be assessed with a strong emphasis on:

	Priority Criteria	Score/ Weighing
1	Strategic Fit with Priority 1 of the LGF	0 – 20
2	Value for Money including a proportionate amount of Outputs and Outcomes for the level of funding requested	0-25
3	Evidence of need and how the project will support and accelerate its business development, in line with the LGF criteria selected within the application. Evidence provided is robust and detailed, allowing a quantitative measure of success in the future against a clear baseline.	0-25
4	Project is fundamentally sound, deliverable within the timescale (19 February 2027) and has managed risks	0-20
5	Well Being Goals and 5 Ways of Working	0-10
	TOTAL	**100**

Theme	Weighting Emphasis for 2 and 3 above
Job Creation (OC01)	High
Productivity Improvement (OC04)	High
Private Sector Investment (OC07)	High
Enterprises transitioning into higher bands (OC05)	High
High Growth Scaling (OP03)	High
Innovation and Technology (OP09, OP10, OC08)	Medium-High
Market Expansion (OC06, OP02)	Medium-High
Innovation Ecosystem/ Collaboration (OP07, OP08, OC09)	Medium

Projects from priority sectors delivering multiple high-value outcomes will score more highly.

Demand for this grant is likely to be high. It is likely that there will be insufficient funding available to support the majority of applications. A transparent scoring mechanism has been put in place, and the scoring will be fed back to all unsuccessful applicants. There is no appeals process for the grant. The appraisal teams will endeavor to assess all applications within the proposed timescales but due to the volume of applications this may not always be possible.

10. VALUE FOR MONEY EXPECTATIONS

Applicants must demonstrate:

- Proportionate outputs relative to grant requested
- Strong private sector leverage (minimum 1:1 match as evidence by the 50% match funding)
- Realistic and evidenced delivery

As a guide:

- Higher value grants will be expected to deliver multiple outputs/outcomes.

11. MONITORING AND EVIDENCE

All KPIs must be supported by appropriate evidence as defined in the LGF framework in Annex 1.

Failure to provide evidence will result in non-payment or clawback.

12. JOB CREATION

Projects should create new FTE jobs sustained for at least 12 months. Job safeguarding may be considered.

13. MATCH FUNDING

Applicants must provide at least 50% match funding.

14. APPLICATION PROCESS

Stage 1: Expression of Interest

Stage 2: Full Application

Supporting documents required including accounts, forecasts and quotes.

15. PROCUREMENT

The procurement process needs to demonstrate best value of public funds.

Based on your pre-tender estimate for goods or services, the following procurement thresholds and guidelines must be adhered to.

Estimated value	Tender action required
Up to £2,499	Direct award
£2,500-£24,999	3 quotes
£25,000-£74,999	A minimum of 4 quotes to be invited (this will require an evidenced process of at least 4 quotations being invited/sought from suppliers against a formalised specification or bill of quantities, with a specified deadline for submission). Evidence of requests to quote and receipt/dated returned quotations will be required.
£75,000 and over	Full tender process: please seek guidance from the Regeneration team

Please note: this is your chance to set the quality standard for this work, unless justifiable and with agreement of the Vale of Glamorgan Council you are required to go with the lowest quote. This is done to ensure value for money.

The Vale of Glamorgan Council encourages applicants when considering quotes to explore the marketplace to establish if there are any businesses within the Vale of Glamorgan that can provide the goods and services that you are seeking. Businesses operating in the Vale have an important role to play in the supply chain development and economic growth.

16. SUBSIDY CONTROL

Applicants must comply with UK Subsidy Control rules and declare previous funding.

17. PAYMENT & MONITORING

The grant will be paid in accordance with the terms and conditions set out in the funding letter. The grant will usually be paid retrospectively and subject to all evidence of expenditure being submitted to the Council as well as additional evidence of project activity such as that required to prove the project Outputs and Outcomes. In exceptional circumstances where retrospective payments could cause real difficulties for small organisations, advance payments will be considered. For organisations that would find this prohibitive to delivering their project, please speak to a member of the team before submitting your application.

18. PLANNING CONSENT OR PERMISSION FOR WORKS

Deliverability within tight timescales is a key determining criterion for funding award. Therefore projects that require formal planning processes or permission from the landlord which are not already in place may mean that the project cannot proceed for LGF funding as the grant award must adhered to strict guidelines with works concluded, claimed and evidence before the 31 March 2027. Funding letters for successful applicants will stipulate a specific business claim deadline, which will be not later than the 19 February 2027.

19. ADDITIONAL INFORMATION

IMPORTANT

- Funds are limited and it is a competitive application process. Once the funds are fully allocated, no more application will be considered.
- The Council reserved the right to close the EOI application process early if significant submissions are received.
- Applicants will need to adhere to strict deadlines throughout the process, failure to do so may prevent your application from progressing or may result in your funding offer being withdrawn.

- Your application must be approved before you make any purchases or start work, no grant money will be issued for any items purchased or works carried out prior to written approval being issued.
- All approved work must be completed and evidence of payment provided by the applicant before any grant award can be made.
- The Vale of Glamorgan Council reserves the right to update this guidance at any time.
- Successful applicant will be expected to return any required evidence reasonably requested by the Vale of Glamorgan Council, after funding is awarded, in line with the funding guidance. Including evidence related to business growth achieved post funding.

The grant must be repaid in full, on demand, if: -

- the applicant is found to have made any misrepresentation in connection with the application.
- the applicant has breached any applicable terms and conditions, or the business relocates within 5 years of award to a location outside of the Vale of Glamorgan.

Annex: 1

Priority Outputs/Outcomes: Evidence Definitions and Criteria:

- **Local Growth Fund Wales – Outputs and Outcomes Indicators Framework – English**
- **Local Growth Fund Wales – Outputs and Outcomes Indicators Framework - Welsh**