City of
Stoke-on-Trent

Staffordshire
County Council

Scale Up Staffordshire Loan Programme – Frequently Asked Questions

1. What is Scale Up Staffordshire?

The Scale Up Staffordshire programme provides loans of up to 80% of total project costs to support Staffordshire and Stoke-on-Trent based businesses to innovate, expand, adapt, improve efficiency, create jobs and stimulate local economic growth.

Projects will need to demonstrate that other avenues of support and funding have been explored and why Scale Up Staffordshire is vital to the project going ahead.

Projects will also need to demonstrate that they have not started and will not be achievable in the timescales proposed without Scale Up Staffordshire support.

All projects will be required to demonstrate that funding support will meet at least one of the following criteria:

- The creation of new jobs or safeguarding of existing roles in your company.
- An increase in the scope and/or scale of your company activity.
- An improvement in the company's performance.
- A reduction in energy costs or improved/increased efficiency.

2. Who can apply?

Small and medium sized enterprises or SME's (SMEs are businesses who have fewer than 250 employees, up to £44m turnover and a balance sheet total of up to £38m) that are currently based within Staffordshire or Stoke-on-Trent, or relocating to Staffordshire or Stoke-on-Trent. If premises alterations are required, or a relocating business applies, the company must have entered into a signed lease agreement for a minimum term of two years.

3. How much can I apply for?

The maximum award size is £100k, subject to the availability of funding at the time and the minimum loan value is £5k. These awards are made at 80% of total project value. The business applying must match fund 20% of total project costs. Loans will be provided interest free - dependant on credit assessment. Financial documents such as past three years of banking statements, Experian and Credit Safe Reports along with cashflows and other items will be required to assess this as part of the due diligence exercise prior to an in-principle offer being made by the Loan Evaluation Panel. Security of a sufficient value on projects over £25k will be required. More information can be obtained by emailing ScaleUp@staffordshire.gov.uk.

Please note: Current demand and competition for Scale Up Staffordshire funding is high and not all applications will be supported. Each funding request will be judged on its own merit depending upon the availability of funding at the time.

4. What is meant by Loan Security?

All loans regardless of size require a Director's Indemnity Deed signing to receive funding. This means that the Director(s) are required to sign a legal document that states if the business cannot repay the loan, the Director(s) will then be responsible for repaying it.

For loans over £25,000 additional security is required. This can be in the form of property, assets or blocked bank exemptions. In the cases of assets and property, the assets and property being given for security need to be fully owned with no other charges linked to them. An independent MRICs surveyor report is required for assets, and the business must assume responsibility for the payment of this. For property, the business must also pay for the searches. If you require security against your loan, please talk with one of the Scale Up Team at ScaleUp@staffordshire.gov.uk.

5. What projects will Scale Up Staffordshire support?

Projects that can be supported are listed below under four themes which support growth, efficiency, productivity and cost reductions. For capital purchases only* with the exception of road vehicles.

- Site Development
- Energy Efficiency Upgrades
- Equipment Purchases & Upgrades
- Productivity Boosting Improvements

6. What costs can I apply for?

- Plant and machinery costs
- Equipment
- Energy Efficiency upgrades and purchases
- Refurbishment, fit out and/or adaptation of land and buildings for the occupancy and use of the Scale Up Staffordshire applicant.

Please note: All project costs must be exclusive of VAT, if you are VAT registered.

7. What is the Procurement Process?

For individual project items that are £3,000 or less, a direct award can be given following a quotation. Please note however that a loan of £5,000 is the minimum loan which can be issued.

For individual project items that are between £3,000 and £25,000, three like for like quotes must be obtained from relevant suppliers and a rationale given as to why you have chosen the supplier you would like to award.

For individual project items that cost £25,000 or more, they will need to be advertised as an electronic tender for a minimum of 10 days. We can help with this by advertising for you on our sben website, if your items are not for energy efficiency measures you may find it beneficial to also advertise the tender on your own website as well as contacting relevant suppliers for quotations. Once the time to advertise has elapsed, a tender scoring sheet must be submitted alongside all relevant quotations received when you return your application documents. The tender scoring sheet will be sent to you with the application pack, and the scores will show the rationale for your chosen supplier. This is part of our Fair Practice Policy, and it is a requirement for all applicants. If a tender is not advertised, then the application cannot progress until one is advertised.

8. What costs cannot be included?

Scale Up Staffordshire does not support staff costs, the purchase of road vehicles, stock or ongoing operating costs. Higher Purchase, credit card debt and paying off outstanding credit cannot be included in the projects.

9. What are the conditions for companies that are part of a wider group?

There are conditions attached to submissions where the applicant company is part of a wider group. A key criterion for the Scale Up Staffordshire programme is that the applicant organisation must be the one that is incurring the project expenditure and realising the benefits and impact from the project.

10. What is the application process and timeframes?

All applicants for Scale Up Staffordshire Support will go through the following process:

1. Invitation to an introductory talk with the Programme Officers.
2. Once this has been completed and both parties are in agreement to proceed the application pack will be sent out to applicants for completion.
3. Once completed full application forms and supporting documentation have been received you will be allocated to the next available Evaluation Panel meeting, where your funding request will be presented by a member of the team.
4. Subject to receiving in-principle funding approval from the panel, contracts can be issued.
5. Upon receipt of the fully signed contracts, and successful registration of any debenture (if applicable), loan funding can be released once the 20% of match funding has been defrayed and evidenced as being paid as a deposit for the services/equipment being procured.
6. Monthly repayments will be set up for the agreed loan term once the loan has been released.
7. Annual statements of balance of loan will be issued each financial year.
8. Full repayment is completed within two to four- years dependent upon the agreed loan term.

Due to current high demand for funding, applicants should allow a minimum of 3 to 6 months for the progression of applications through the entire Scale Up Staffordshire process. As each project will be different, your Scale Up Staffordshire officer will provide clearer updates on the timescales once your application has been received.

11. Do I have to secure match funding?

All applications for funding will be assessed against Scale Up Staffordshire criteria with each applicant required to provide funding for a minimum of 20% of the total project costs. This can be evidenced via your financial diligence documents.

12. Can I start the project before I apply to Scale Up Staffordshire?

A full application to Scale Up Staffordshire must be submitted and contracts signed and issued *before* work or expenditure on the project can begin. If work on a project started (i.e., orders for equipment, works being completed) before this date then it is potentially ineligible for financial support.

13. What about Subsidy Controls?

Scale Up Staffordshire cannot offer support which may be in breach of subsidy control legislation. This is a complex area, and applicants should satisfy themselves that funding support towards the proposed investment does not constitute unlawful aid and where appropriate seek specialist advice. Before funding contracts are entered into, Staffordshire County Council may require further details from the applicant.

All activity supported by the programme must comply with the Subsidy Control Act 2022. For further information about the UK subsidy control regime please visit: www.gov.uk/government/collections/subsidy-control-regime.

14. What application help and guidance are available?

You can discuss your project idea before submitting an application with the Scale Up Staffordshire team. If your project is progressed to the full application stage one of the team members will be available, to further discuss your project and advise you on the final submission of the full application. There is also Guidance that will be sent out to all applicants that explains how to answer each Application question.

15. Are there any costs involved in applying for Scale Up Staffordshire funding?

Scale Up Staffordshire does not currently charge an arrangement fee. Approved projects requiring security may be subject to valuation and search costs prior to the issuing of contracts. This is payable by the applicant.

16. What is the process for releasing funding following project approval?

Upon receipt of the fully signed contracts, and successful registration of any security (if applicable), loan funding can be released once the 20% of match funding has been evidenced and paid as a deposit for the services/equipment being procured. Please note that due to the re-circulating nature of the scheme funding may not always be available to applicants at the exact time it is requested. It will be important to discuss with the Scale Up Staffordshire team the timing of your funding release once funding has been approved.

17. What about Data Protection?

The information that you supply will be held and processed in line with the UK GDPR/Data Protection Act 2018/EU GDPR. Information will be used by Staffordshire County Council (as Data Controller) to assess your eligibility for the Scale Up Staffordshire programme and to comply with contract regulations as set out by the funder. We may also share this data with local and central government departments, and partner organisations in reaching funding decisions, where applicable. We retain this data for a minimum of seven years, after such time it will be securely destroyed. Our lawful basis for processing this data is consent. Consent will be obtained through the application form. As a data subject you can request withdrawal of consent at any time by contacting DPO@staffordshire.gov.uk. Further information on how we handle your information and details of our Data Protection Officer can be found here on our website Our privacy notice | Staffordshire County Council.