Frequently Asked Questions (FAQs)

General

What is the Local Growth Fund – Business Capital Investment Programme?

The programme provides capital grants to help micro, small and medium businesses, start-ups and trading social enterprises invest in projects that improve productivity, create jobs, increase competitiveness and support business growth.

How much funding is available?

There are three funding strands:

Start-up & Early Growth

- Project costs between **£2,857 and £10,000**
- Grant of up to **£7,000 (70%)**
- Applicants contribute a minimum of **30%**

Growth & Expansion

- Project costs between **£10,000 and £50,000**
- Grant of up to **£35,000 (70%)**
- Applicants contribute a minimum of **30%**

Social Enterprise Growth:

- Project costs between **£10,000 and £38,500**
- Grant of up to **£35,000 (90%)**
- Applicants contribute a minimum of **10%**

Eligibility

Who can apply?

The fund is open to:

- Start-ups
- Micro, small and medium businesses
- Trading social enterprises

Your business must have a physical operating address in Denbighshire or Flintshire, be registered (or registering) with HMRC and be able to provide a UTR number.

Can home-based businesses apply?

Yes, provided your home is your genuine operating business address and your business meets all other eligibility requirements. Virtual offices are not eligible.

Can sole traders apply?

Yes, provided they meet the eligibility criteria and are registered with HMRC.

Can I submit more than one application?

No. Only one application per business is permitted.

Eligible Projects

What can the grant pay for?

Examples include:

- Machinery and equipment
- Digital systems and software
- E-commerce development
- Low carbon technologies
- Solar panels
- EV charging infrastructure
- Workshop improvements

Projects must support business growth and improved productivity.

Can I buy second-hand equipment?

Yes, if:

- it has not previously been purchased using grant funding;
- it represents value for money; and
- it costs less than an equivalent new item.

Can I replace existing equipment?

Generally no. Like-for-like replacements are not eligible unless they form part of a wider project that clearly demonstrates business growth or productivity improvements.

Ineligible Costs

What can't the grant fund?

The grant cannot fund:

- Salaries or staffing costs

- Rent and utilities
- Stock or working capital
- Repairs and maintenance
- Land or property purchases
- Vehicles purchased through finance agreements
- Items bought before grant approval
- Cash purchases
- Retrospective expenditure

A full list of ineligible costs is included in the guidance.

Application Process

Do I need a business plan?

Yes.

Applicants must submit:

- a 12-month business plan;
- a 1yr monthly cashflow forecast;
- supporting financial information; and
- quotations for project costs.

Can someone complete the application for me?

Applications must be submitted by the business owner, although support is available from Business Wales and Cadwyn Clwyd to help prepare the application.

Do I need quotes?

Yes.

- Purchases up to **£10,000** require one quote.
- Purchases of **£10,001 or more** require three quotes.

It is good practice to demonstrate value for money, and we would recommend obtaining three quotes for expenditure between £5,000 to £10,000, however this is not an LGF mandatory requirement.

Aggregation
Where multiple purchases are from the same supplier, the total supplier cost will be used to determine quote requirements. For example, fridges costing £7,000 and ovens costing £9,000 from Nisbets total £16,000, therefore three like-for-like quotes from different suppliers would be required.

Can I start my project before approval?

No.

Any expenditure incurred before receiving a formal grant offer is ineligible and cannot be claimed.

Match Funding & Claims

Do I have to pay upfront?

Yes.

This is a reimbursement grant. You must:

1. Purchase approved items.
2. Pay suppliers in full.
3. Submit a claim with invoices and proof of payment.
4. Receive reimbursement once your claim is approved.

Can I use finance or hire purchase?

No. Items purchased through lease purchase, hire purchase or finance agreements are not eligible.

Can VAT be claimed?

Only if your business cannot reclaim VAT from HMRC. VAT-registered businesses should submit project costs excluding VAT.

Assessment

How are applications assessed?

Applications are scored against:

- Innovation
- Economic benefit
- Delivery of outcomes
- Growth potential

Applications must achieve at least **60 out of 100** to be considered for funding.

Is funding guaranteed?

No.

This is a competitive grant programme and funding is limited. Meeting the eligibility criteria does not guarantee funding.

Can I appeal if my application is unsuccessful?

No.

The Grant Panel's decision is final and there is no formal appeals process. Applicants may seek advice about alternative funding opportunities.

Successful Applicants

What happens if my application is approved?

You will receive:

- a Grant Award Letter;
- grant conditions;
- claim guidance; and
- a claim form.

You must accept the offer within **10 working days**.

Will I need to provide evidence after completing the project?

Yes.

Evidence may include:

- invoices;
- bank statements;
- photographs;
- employment evidence;
- project outcomes; and
- monitoring information.

Will Cadwyn Clwyd inspect my project?

Possibly.

Cadwyn Clwyd may carry out monitoring visits or sample checks before paying your grant claim.

After the Grant

Do I need to keep the equipment?

Yes.

Grant-funded assets must normally remain with the business for **five years** and cannot be sold or transferred without prior approval.

Could I have to repay the grant?

Potentially.

If you cease trading, relocate outside the area, dispose of grant-funded assets, or breach the grant conditions within five years, some or all of the grant may need to be repaid.

Need Help?

Where can I get advice before applying?

Cadwyn Clwyd's Business Grants Project Officer and Business Wales can provide advice on:

- eligibility;
- developing your business plan;
- preparing cashflow forecasts;
- completing the application form; and
- understanding the grant requirements.

Funded by UK Government
Cyngor sir ddinbych denbighshire County Council
Cyngor Sir y Fflint Flintshire County Council
Llywodraeth Cymru Welsh Government