

GUIDANCE NOTES FOR YORK4BUSINESS ENTERPRISE FUND

York4business Enterprise Fund programme

About the Programme

What is the purpose of the scheme?

The scheme is for assisting people who have been made redundant from companies in the York Area or who are out of employment, or who are considering setting up a new business in York as defined in the City Map included in the Appendix.

The members of the scheme are committed to supporting the establishment and growth of new small businesses. The scheme is particularly aimed at supporting new businesses that are innovative, demonstrate the ability to deliver sustainable long lasting economic growth and job creation, adopt good business practices and may deliver environmental benefits.

Who can apply?

The scheme is open to people who reside in the York Area and are intending to set up a new business either in premises in the York Area, or from home with the intention of moving to premises in York in the immediate future.

The Fund has no age limitation but will fill gaps where clients fall outside of the criteria of some of the other enterprise support schemes which operate nationally and regionally.

Applicants must demonstrate that have failed to raise all necessary funds from these other sources. However, it is recognised and accepted that applicants may well be approaching traditional lenders and whilst the programme manager will not be undertaking means testing, it is expected that applicants will demonstrate a contribution of 50% from their own resources.

Equalities Statement - All of the schemes' supporting organisations work to promote equal opportunities within their recruitment and employment processes and practices and this also applies to the provision and access of services supplied by those organisations be they public or private sector.

All of the partner organisations (whose logos appear on the back cover) produce their own statements of policy on equal opportunities. Although we have not sought to amalgamate these policies into a specific policy for this scheme, applicants should rest assured that their application will be dealt with fairly, in strict accordance with the aims of the collective policies.

The highly experienced team at York, Selby and Malton Business Advice Centre (YSMBAC) located in the Eco Business Centre located in Clifton Moor on the outskirts of York, will handle the client's application through all its stages to approval and it will offer on going mentoring to the new business.

What assistance is available?

The scheme can provide finance and through its partners and contacts fund a range of professional services. When finance is provided as a loan, the repayment levels and timescale will be mutually agreed. However, in some circumstances a loan will be made, in return for a small percentage of the business i.e. equity. Ordinarily there will be a fixed upper limit for all loans of £ 5,000. 'In kind' support may also be available from professional firms who are members of the scheme, for example York Professionals but the overall value of the support will in normal circumstances be subject to a cap of £5000.

What can the funding be used for?

The finance could be used (for example) to:

- meet start-up costs
- assist with developing new products/services
- pay for professional services, such as legal fees, Intellectual Property advice
- tax advice, commercial property advice etc
- training and skills development
- acquisition of necessary capital equipment

The funding will not be used to pay for the writing of a business plan, although some of the funding could be used to pay for actions identified that need to be undertaken to support the start-up phase, or to make the business viable. Applicants requiring support with the development of their business plan should, before making an application to the fund, contact Business Link Yorkshire to participate on the new business start-up scheme. This scheme includes a wide range of specialist help and practical support that should be explored before applying to this programme for financial input to your business proposal. YSMBAC will act as a 'signpost' for you in identifying the programmes and support you need via Business Link.

Governance

The governance of the Fund is through a panel made up of contributors to the Fund and business advice experts. The Panel meets on a bi monthly basis to review applications but in the case of urgency ad hoc meetings are arranged to meet specific deadlines or address issues related to the management of the fund and the needs of clients. The Panel decisions are final and irrevocable.

Scheme Funding Rules

- Recipients should be new business starts who have had difficulty accessing funding from other sources. Evidence of this will be needed.
- Loans of up to £5000 for capital purchases maybe approved.
- Interest payment rate 1% above base on APR basis
- Capital holidays of up to 12 months with normal repayment period being no more than 5 years and in most cases to reflect the life of the asset purchased.
- No security
- Match funding of up to 50% with a 30% minimum would be expected from the client own resources in an approved form. .
- Vouchers to a value of £500 will be available to cover the cost of professional services in the start up phase. Evidence of an equal match from the recipient will be sought.
- Each recipients business will receive mentoring by YSMBAC over the life of the loan at a cost of 10% of its value.

Conditions

- Regular reports will need to be provided to the programme administrator giving an update on progress.
- As a minimum, these should be provided bi annually, but for stage payments, reports will be expected before 2nd and subsequent payments are released.
- Where non-financial support is provided, a report from the provider of that support will be required
- the business must acknowledge the support of the programme on literature, websites and in the workplace
- the business must demonstrate a reasonable commitment to fair levels of pay and adequate Health and Safety provision

The scheme will not support any activity which may be considered illegal, immoral, or which supports or promotes a political or religious viewpoint the Panel will pay regard to the impact of the support for a proposal on local

competition. It cannot be seen to subsidise the establishment of one business that may seriously adversely impact on another.

What to do next:

- 1) Please complete the attached form and return signed by post to:
- 2) Please also include a Business Plan. Please note, the programme does not provide a fixed format for a business plan. Normally, a business plan will need to be provided at the time of application and you may use a fixed format as provided by Business Link Yorkshire, an enterprise agency, a bank or an accountant.

If you have any difficulty in completing this form, please contact:

See below:

However, applicants may produce a plan using their own format but in all cases the following information should be included where practicable:

- the market that the product(s) or service(s) will be aimed at;
- customer research and analysis;
- marketing strategy to target market(s);
- start up costs itemised and contained within cash flow and profit and loss;
- operating costs -itemised and contained within cash flow and profit and loss;
- sales projections -itemised and contained within cash flow and profit and loss;
- Where are primary suppliers based;
- risks associated with the project.

Please also include:

- 3 Copies of letters or other written evidence that you have sought assistance elsewhere and that these sources are not able to provide you with all of the support you require.
- 4) Quotes for the services, products, fixed assets or other costs for which you are seeking funding,

What happens next?

Once we receive your completed application form and supporting documents, it will be checked by the Administrator for completeness and eligibility. This will happen within 5 working days of receipt and any requests for further information will be made at this stage. Normally requests will be made by email and failure to respond within the allotted timescale could render your opportunity invalid.

Once your eligibility has been acknowledged and once all the relevant information has been made available it will be sent to the Assessment Panel, which consists of representatives of the sponsoring and supporting organisations (see back cover).

. You will be required to attend the Panel, and you are welcome to bring along a business advisor. You will have the opportunity to put your case and answer any questions that the Panel may have.

The Panel's decision and any conditions or recommendations which it may make at the Panel meeting are final

In most cases you will be informed of the decision straight away. If you are successful the Panel will set out the conditions. If you are unsuccessful the Panel will explain its reasons and may suggest options for amending and resubmitting your application or direct you to other sources of funding. Alternatively the Panel may decide that it would like to support you and your proposal in principle but that you need to undertake further work before it can make a final decision. In some circumstances it may offer interim support to enable you to progress your application further.

Until you are informed of the outcome of the meeting you should not conduct your business on the assumption that your application will be successful. You will receive payment after you have signed an agreement, in accordance with the conditions, which will state your obligations including the proposed loan repayment schedule. Evidence may be required to prove that the money has been spent on what was agreed by the panel i.e. in the form of invoices/bank statements as evidence.

Applicants should also note that approval of a loan should in no way be construed as an endorsement of your activity by the Panel, or the schemes supporters. The approval of your application and the making of any grant, subscription or loan are not to be taken by you or any other person as a guarantee or warranty that your proposals are viable. The Panel in the event of subsequent failure will accept no liability of your business.

Application Number
(for office use)

Application Form

Personal Details

Name

Address

Telephone Number

Mobile Number

Fax Number

Email Address

Employment

Name of Employer (current or most recent)

Address

Contact Name (line manager)

When (to be) made redundant.

Please attach copies of any letter or notice of redundancy

How long in post

Position

Please explain circumstances of redundancy

The Proposal

Name of business

Nature of business

Proposed address of business

Proposed starting date

Previous experience of running a business

Name, organisation and contact details of business advisor

Have you ever been declared bankrupt or insolvent (Y/N)?

If yes, please provide details

Training or other relevant management experience

Please describe any constraints or difficulties you will need to overcome (for e.g. disability, childcare, health)

Nature of advisory services sought

Total start up funding required

Total applied for

Personal contribution to the proposal

Total from other sources

(Please state where)

Do you require any business and/or legal advice?

How will the funding applied for be used? (Please indicate quotes, estimates)

What will your role be?

Other key positions/personnel already involved

Outcomes proposed:

By end of 1 year 2 years 5 years

Staffing Numbers

Turnover £000

Other significant outcomes

How would you proceed if no support was available?

How would you proceed if a reduced amount were offered?

DECLARATION

I hereby certify that all information given in this application is true and accurate to the best of my knowledge and belief and I am not aware of any undisclosed facts, which are likely to be material to the consideration of this application.

I also acknowledge that approval of the loan should in no way:

be construed as an endorsement of the proposed activity by the Panel, or the schemes supporters;

be taken by you or any other person as a guarantee or warranty that the proposals are viable;

no liability will be accepted by the Panel in the event of subsequent failure of the business.

I also permit the YSMBAC or Y4B partners to contact the named advisor or organisation whose contact details I have included in the application form.

Full Name of Signatory:

Date:

Signed:

Equalities Monitoring Form

Information supplied on this form is strictly confidential and does not form part of your application. This page will be removed from your application form and the information will not be taken into account when making the appointment, nor will it be supplied to the assessment panel.

Information you provide will be handled and stored in accordance with the Data Protection Act 1998.

The partners of the York4Business Programme welcome applications from all sections of the community. It is a fundamental principle of our collective policies that all people are equally valued regardless of their gender, age, disability, race, ethnic origin, language, religion or sexual orientation. The aim of our collective policies is to ensure that the assessment process does not allow unfair discrimination and to promote equality of opportunity for all.

Help us meet this commitment; we hope that you will assist us in monitoring the applications process by completing this form. Only by collecting the information provided on this form can we progressively assess our collective performance and identify where improvements should be made.

Please fill in all sections in black ink

Surname
First Names

Nationality

Communication

I heard about this scheme through:

Please give one answer only.

Age

- I am Under 21
- 21 -30
- 31 -40
- 41 -50
- 51 -60
- 60 -64
- 65 or over

Religion

If you feel the choices below do not provide a suitable option, please write how you would describe your religion.

Christian

Hindu

Sikh

Buddhist

Judaism

None

Muslim

Other*

Business support agency *Please specify

Ethnic origin

The following categories are recommended by the Commission for Racial Equality. If you feel the choices do not provide a suitable option, please write how you would

describe your ethnic origin.

(a) White (b) Mixed

British White and Black Caribbean

Irish White and Black African

Any other white background White and Asian

Any other mixed background

(c) Asian or Asian British (d) Black or black British

Indian Caribbean

Pakistani African

Bangladeshi Any other black background

Any other Asian background If you have ticked one of the any other boxes,

please describe your ethnic origin below.

(e) Chinese or other ethnic group

Chinese

Any Other

Disability

Do you have a disability? Yes No

Definition of Disability

The Disability Discrimination Act 1995 defines disability as follows:

A person has a disability if he/she has a physical or mental impairment which has a substantial and long term effect on his/her ability to carry out normal day to day activities.

According to the Act, a disabled person is currently someone who:

Has a physical or mental impairment

The impairment has an adverse and substantial effect on his or her ability to carry out normal day to day activities

The effect of the impairment is long term

Examples of conditions covered include:

Physical impairments: diabetes; epilepsy; multiple sclerosis; cancer; cerebral palsy; heart disease

Mental impairments: schizophrenia; dyslexia; bi-polar disorder; learning difficulties

Progressive conditions: cancer; multiple sclerosis; muscular dystrophy; HIV Infection

Sensory impairments, such as blindness, having partial sight or hearing loss are also included within physical and mental impairments.

Signature

Position

Date

For office use only

Put forward to the Panel -Date

Supported/Not Supported

Comments and Recommendations