

## West Midlands SME Grant Programme (WMGP)

### Frequently Asked Questions

We have put together some frequently asked questions to help you complete your grant application.

---

#### **Where can I find out about the WMGP criteria?**

Visit our website where you will find the scheme criteria at [wmgp](https://www.wm.gov.uk/wm-gmp).

#### **Where can I obtain an Application Form to apply for a grant?**

You can request an application form for the WMGP by emailing [wmgp@birmingham.gov.uk](mailto:wmgp@birmingham.gov.uk). We strongly recommend that you complete the Application Form in conjunction with the WMGP Criteria Application Guidance Notes and Processes document, as this will ensure that you address each question fully and prevent delays in processing your application. The link to the guidance notes is included here: [wmgp criteria application guidance notes](#).

#### **Which geographical areas does the WMGP cover?**

Currently, the WMGP covers Birmingham, Cannock Chase, Solihull, and Shropshire local authority areas.

#### **Will the programme be extended to geographical areas outside of the West Midlands? If so, which areas and when?**

No, there are currently no plans to extend it further.

#### **How can I check if my business postcode qualifies for consideration?**

Currently, your rates must be payable to either Birmingham City Council, Cannock Chase Council, Solihull Metropolitan Borough Council or Shropshire Council to qualify for consideration. To check if your business postcode fits into these Local Authority areas, follow the link [here](#).

#### **Can I obtain 100% grant funding towards my project?**

No. Grant funding will be awarded up to 50% of your project costs. Grant funds are “matched” by the applicant and grants are awarded retrospectively once evidence of payment of project costs has been provided by the successful applicant.

#### **What is match funding?**

Match funding is the difference between the grant you are seeking and the remaining cost of your project. The grant must be match funded by the applicant business. The source of match funding cannot be from other Public Funds. A financial arrangement whereby an item is paid for in instalments will require prior approval before an application. Loans, overdrafts, savings or company funds are considered to be eligible cash match, and these must be secured and in place prior to approval of a WMGP grant.

#### **Can I start spending my project costs prior to submitting a WMGP application?**

No. Grants must be approved before any project spend can take place and project spend must be incurred only after the date that you have signed your WMGP funding agreement. Grants are awarded retrospectively. In other words, the business must pay for the project costs initially and once submission of satisfactory payment evidence has been sent to Birmingham City Council, then grant funding will be reimbursed accordingly.

**If a business has already received grant funding from previous grant programmes (including the Business Growth Programme, the Property Investment Programme or the Supplier Skills Programme), can they apply for a West Midlands SME Grant Programme grant?**

Yes, you are allowed up to £335,000 (subject to exchange rates) in Small Amounts of Financial Assistance over a rolling period of 3 financial years. To find out more details on Subsidy Control, visit [Gov.uk Subsidy Control Website](https://www.gov.uk/guidance/subsidy-control).

**Does a business have to meet all of the eligibility criteria, or will their application be considered if they meet 90% of the criteria?**

The business cannot apply unless they meet all of the eligibility criteria. A business will be asked a series of questions as it completes the application form and if it does not meet the eligibility criteria, then their application submission will not be able to progress any further.

**What types of businesses are eligible to apply?**

Profit seeking Small to Medium sized Enterprises from all business sectors are eligible\* for consideration, except for charities, those of a political or religious persuasion, activities involving pornography or clairvoyancy and any business activity that is illegal or deemed as unsuitable for public support by Birmingham City Council.

\*Solihull welcomes applications from the priority sectors listed *here*.

Please note that grant awards will be on an 'in principle' basis for Solihull businesses whilst grant funding agreements are finalised between Birmingham City Council and Solihull MBC.

**Why are there funding rounds? What happens if I am unable to submit my application within the current funding round deadline?**

Funding rounds help Birmingham City Council to manage the flow of incoming applications. For example, if the Council is inundated with applications, then it has the option to close a funding round early to give the appraisal team a chance to process pipeline applications, without causing unnecessary delays to applicants.

If you miss the funding round deadline, then there is no need to panic. Funding rounds open on a Monday and close on a Wednesday 4 weeks later. So, if you can't submit your application in the current funding round, then you will be able to apply in the next round.

Only when WMGP funding is reaching full allocation will the funding rounds close permanently, but the Council will publish a warning on the website prior to this happening.

**Can my WMGP project costs include staff salaries?**

No, staff salaries are ineligible for consideration.

**Are businesses that operate on a Business to Business (B2B) or a Business to Consumer (B2C) basis, able to apply?**

Yes. The WMGP welcomes applications from businesses that operate on both a B2B or B2C basis.

**Can a WMGP grant be used to fund the conversion of a building into an office or accommodation for the purpose of generating rental income?**

No, WMGP funding cannot be used to convert buildings into offices or accommodation for rental purposes.

**Can home-based businesses apply for the WMGP?**

Yes, if you are a home-based business, then you can apply for WMGP if you are based in the geographical areas of Birmingham, Cannock, Solihull or Shropshire and you pay your rates to either of these local authorities. You will need to provide evidence of HMRC self-employed registration and create job/s as a result of your WMGP project.

**Can apprentices, zero hours contactors, temporary contractors, or full-time agency staff be counted as job creations for my WMGP project?**

No, if you employ any of the above, you cannot count these individuals as job creations. But, if any of these staff move from their current contracts to permanent full-time positions within the business and they are added to the payroll as a result of your WMGP project, then they can be counted.

**Can company directors be counted as job creations?**

It depends.

**Start-Ups**

If a Start-Up WMGP project entails creating a new business directly as a result of a WMGP grant, then the Start-Up can claim their business as a Start-Up output. If the owner of the business also registers with HMRC as self-employed after the WMGP Funding Agreement has been signed off by the applicant, providing that the individual is employed in the business as full-time thereafter, then the owner/entrepreneur can be counted as a job creation.

However, if a Start-Up business owner has registered as self-employed before a WMGP Funding Agreement has been signed off by the applicant, or is being paid by another company, then the business owner can't be counted as a new job creation, and he/she will need to create a further new full-time job.

**Limited Companies**

**Scenario 1**

Company A submits a WMGP application, and the project will result in the creation of a company director's job. If prior to sign off of the WMGP Funding Agreement, the company director is not receiving a director's remuneration., then he/she can be considered as a new job creation. This is because the company director would be added to the company payroll as a full-time employee following sign off of the Funding Agreement.

**Scenario 2**

Company B submits a WMGP application, but the company director being counted as a job creation is already drawing a director's remuneration from the applicant company prior to the Funding Agreement being signed off by the applicant. In this instance, the company director cannot be claimed as a job creation as he/she is already working as an employee in the company and appears in the baseline payroll figures.

**Can my WMGP project costs include items which will be located in other parts of the country, or overseas?**

No, the WMGP funding is designed to target business growth within the geographical areas of Birmingham, Cannock, Solihull and Shropshire, so items purchased for WMGP projects must remain within these catchment areas.

### **If I apply for a grant below £10k, do I still have to create 1 full-time job?**

Yes, you do. The smallest grant a start-up or existing business can apply for is £1k, but Birmingham City Council will require a minimum of 1 full-time job to be created, regardless of whether you are applying for a small grant. The rule of thumb is that for every £10k grant awarded, the Council will seek a full-time job to be created. Even if your grant is less than £10k, the Council will still require you to create 1 full-time job. The only exception are businesses based in Solihull MBC, where job creation is not a mandatory requirement.

### **Can I purchase a company car or commercial vehicle as part of my WMGP project costs?**

No, WMGP does not support the purchase of any type of vehicle, except for those only used on site such as forklifts, mobile elevating work platforms, or construction type vehicles such as loaders, diggers and cranes.

### **Can I apply for WMGP if my rateable value is less than £15,000?**

Yes, you can.

### **Why do Birmingham and Solihull based businesses need to have a business diagnostic with the GBSLEP Growth Hub before submitting my application?**

Every Birmingham and Solihull based applicant must receive a business diagnostic with a GBSLEP Growth Hub advisor to be considered for WMGP support. The advisor will be able to offer expertise and provide help and advice regarding an application, thereby strengthening a submission. To make an appointment with a business advisor, telephone the GBSLEP Growth Hub on 01213 036800.

### **Why don't Shropshire or Cannock Chase businesses need to have a business diagnostic?**

Each WMGP local authority partner determines the WMGP scheme parameters that are to be applied within its LA area. Some LAs prefer a compulsory diagnostic appointment, whilst others don't.

If a Cannock Chase based business wants to speak to someone regarding their application, they can contact [EconDev@cannockchasedc.gov.uk](mailto:EconDev@cannockchasedc.gov.uk) or telephone 01543 464267

If a Shropshire based business wants to speak to a business advisor, then they can contact The Marches Growth Hub Shropshire to discuss an application on 01743 250526, but this decision is left for the SME to make.

### **How long will it take for a business to obtain a WMGP grant?**

We anticipate an extremely high volume of applications and will endeavour to respond to you as quickly as possible. Due to high demand, it may take up to 21 days from the funding round closure date before we are able to respond to you.

Birmingham City Council aims to provide a funding decision within 6 weeks following receipt of your application. This estimate is based on receipt of a **complete** submission. (This time frame assumes that all information has been completed correctly and full evidence provided).

### **How long do I have to spend the money?**

You must be able to deliver your growth project within 3 months after receiving your grant offer. This means that you must be able to financially complete a project from when you accept the funding agreement, including spend, defrayal and claiming the grant within a 3-month period. Birmingham City Council recognises that high value/more complex projects may take longer than 3 months to complete and so project timescales are subject to negotiation with your Project Officer (PO).

### **What happens if I don't complete my project by the deadline?**

Upon receiving an offer of grant funding, you will be allocated a named Project Officer (PO) who will be your point of contact. The PO will work closely with you during the 3 months which you have to complete your project. Grants can be claimed either at the completion of your project or by instalments agreed with your PO. Birmingham City Council recognises that high value/more complex projects may take longer than 3 months to complete and so project timescales are subject to negotiation with your PO.

### **Do I have to use suppliers provided by the Council?**

No. The suppliers of the goods and services related to your project are selected by the applicant, not Birmingham City Council. Quotes should not be from people or businesses connected to your business, directors or shareholders and we ask that you obtain at least 3 competitive quotes for each project item above £1,000 and 1 quote for each item costing £999 or less, excluding VAT.

### **Do I have to create any jobs?**

Yes, with one exception. To qualify for consideration of a WMGP grant, your project **must** result in the creation of at least one new job. WMGP uses the guide calculation for every £10,000 grant awarded, one new full-time job must be created. Projects which purely safeguard jobs are ineligible. However, it is not mandatory for Solihull MBC businesses to create jobs.

### **Must the new jobs created be based within the WMGP geographical areas?**

Yes, the purpose of the grant funding is to stimulate local business growth, so new jobs created as a result of your WMGP project, must be located within the eligible programme geographical areas of Birmingham, Cannock Chase, Solihull or Shropshire.

### **What if I can't find the answer to my query within these FAQs?**

Email the team on: [wmgp@birmingham.gov.uk](mailto:wmgp@birmingham.gov.uk)

Telephone the GBSLEP Growth Hub on 01213 036800 (for Birmingham and Solihull based businesses)

Telephone Cannock Chase Council on 01543 464267 (for Cannock Chase based businesses)

Telephone the Marches Growth Hub Shropshire on 01743 250526 (for Shropshire based businesses)

18/4/24

