

PROGRAMME CRITERIA

A. BACKGROUND

The Business Growth Programme (BGP) is open to small to medium sized businesses fulfilling the criteria below which are based within, or locating to, the Greater Birmingham & Solihull, Stoke & Staffordshire or The Marches Local Enterprise Partnership (LEP) areas. The grant is part funded by the European Regional Development Fund (ERDF) and administered by Birmingham City Council (BCC).

B. CRITERIA

In order to apply for ERDF funding from the BGP, your business **must** meet the following criteria:

- you must be a small to medium sized enterprise (SME), ie have between 1-249 employees, either an annual turnover less than £35.5m or a balance sheet less than £30.5m and be less than 25% owned by another company or combination of other companies (see Section 2);
- a minimum of 80% of your turnover must be generated by business-to-business activity, with business-to-consumer/retail business accounting for no more than 20% of turnover. (If your business is nearing the 20% B2C/Retail cap, then we may ask you to provide further evidence to substantiate this and we reserve the right to decline applications if we are dissatisfied with the evidence provided);
- your business activity must be eligible. Excluded activities include those of a political or religious persuasion, activities involving pornography or clairvoyance and any business activity that is illegal or deemed as unsuitable for public support by Birmingham City Council. For a full list of eligible and ineligible business activities, please refer to the Eligible & Ineligible Business Activities list available at www.birmingham.gov.uk/bgp;
- you must have been trading for 6 months or more;
- you must be profit-seeking;
- you must have received less than €200,000 of state aid assistance over a 3 year period (the current and previous 2 financial years);
- your business must pay, or be going to pay if relocating, its business rates to one of the local authorities within the LEP areas covered by this programme and those payments must not be in arrears.

The local authorities within the LEP areas are:

Birmingham City Council, Bromsgrove District Council, Cannock Chase District Council, East Staffordshire Borough Council, Herefordshire Council, Lichfield District Council, Newcastle-under-Lyme Borough Council, Redditch Borough Council, Shropshire Council, Solihull Metropolitan Borough Council, South Staffordshire Council, Stafford Borough Council, Staffordshire Moorlands

C. ASSISTANCE AVAILABLE

- i) There are 4 programmes of support within the BGP. You can only apply for assistance from **ONE** of them. You must be certain, therefore, that your business requires assistance from the **Business Development Programme** (BDP) before completing the application form. However, on the initial appraisal of your application by BCC, if it is felt that your application would be more suited to one of the other programmes of support within the BGP, you will be contacted by a BCC project co-ordinator.
- ii) The assistance from the BDP is in the form of a grant contribution of between £10,000-£20,000 representing 50-60% of eligible costs for a project such as the purchase of capital equipment, relocation to new premises, expansion into additional premises, internal refurbishment of current premises or marketing/branding initiatives.

A list of Eligible and Ineligible Project Costs that can be included as part of the grant is available at www.birmingham.gov.uk/downloads/20199/business_growth_programme. Local partners are also available to discuss your project and advise on project costs before you make an application.

- iii) Projects will need to be completed by February 2019 at the very latest. Priority will be given to investment-ready projects that can be completed before this time. Projects extending beyond the February 2019 deadline will not be considered.
- iv) Eligible projects must lead to the growth of the business and the creation of at least 1 full-time equivalent job for every £10,000 of grant awarded appointed within 3 months of the completion of the project.
- v) The grant has to be match funded by the applicant business. This is the difference between the grant you are seeking and the remaining cost of your project. The source of the match funding cannot be from other Public Funds. It also cannot be via Hire Purchase or similar financial products involving a financial arrangement whereby an item is paid for in instalments, as this does not provide full evidence of defrayed expenditure.

D. DATA PROTECTION

- i) BCC will keep the information you give on computer to assist with record keeping. The information you provide is confidential and subject to the requirements of the Data Protection Act 1998. This personal data will be held and processed by BCC (local authority registered with the ICO, Reg number Z4594350) in order to provide and share data for monitoring purposes with the partners involved with the BGP. This includes LEPs, growth hubs, local authorities and the programme funder, the Department for Communities and Local Government.
- ii) The personal details you provide may also be shared with third parties for the purposes of the provision of this support on the basis that they treat the information as confidential as well or as part of any statutory duties requiring such disclosure and to protect the public funds it collects and administers. Any data may be used to prevent fraud or the misuse of resources. For further information of BCC's privacy notice, please visit the [BCC website](#).

E. COMPLETING THE APPLICATION FORM

- i) You should contact your local Growth Hub to discuss your eligibility for the BGP or the BCC hotline number 0121 464 6456. The Growth Hub will give you the contact details for your local partner. If eligible, the BDP grant application form can be downloaded from the BCC website.
- ii) The application form must be completed using Microsoft Word and is best compatible with Microsoft Office 2007 onwards using a Microsoft Windows Operating system. Note when using an Apple Mac you

may experience difficulty completing radio button questions. In this case leave these blank on the word version and mark clearly by hand on the signed scanned application. If you need assistance with this, contact your local partner. This assistance is free and it is therefore not necessary to incur costs from consultants/business advisers. Handwritten applications will not be accepted and will be returned.

- iii) The use of consultants or third parties to complete the application form is an **ineligible** cost.
- iv) The application form is macro-enabled. All light grey shaded fields must be completed. Incomplete forms will be rejected. Illustrations and graphics cannot be included in the Application Form.
- v) Some of the questions have answers which can be selected from drop down boxes indicated by a black arrow in the corner of the box. For these questions, click on the arrow and select your answer from the list provided. If your answer is not listed, select 'Other' and type in your answer.
- vi) Once the application form is completed, it must be saved as word format .doc or .docx.
- vii) The application form must be signed by a person legally responsible for the business identified as the 'Applicant' in Section 1 of the application form.
- viii) Your signed application and all supporting documentation requested in Section 14 Checklist (listed below) should be submitted in electronic format only to bgp@birmingham.gov.uk. Scanned copies are acceptable.
- ix) When submitting your application, only include documentation which has been requested in Section 14 of the application form. Documentation submitted which has not been requested will not be considered as part of your application.

Checklist

1. Microsoft Word version and scanned signed complete application form
2. OJEU SME declaration form (see Section 2)
3. Last two years full accounts (micro/abbreviated accounts are not acceptable)
4. Where the applicant is part of a group, consolidated group accounts
5. Management accounts up to present day for the period not detailed in the accounts provided (only if most recent account are more than 6 months old)
6. Financial projections including profit and loss, cash flows and balance sheets for the next 12 months (month by month basis)
7. A robust business plan if the business has been trading for less than 12 months
8. Evidence of match funding (Refer to Guidance Notes Section 5 iv)
9. As this programme is managed by Birmingham City Council, it is recommended that a minimum of 3 written quotations are secured for each item above £1,000 listed in Section 5 and provided with your application
10. Copies of the Single Tender Justification form (Annex 2 of the Procurement Guidance Notes) if required
11. Certified evidence of existing staff numbers (ie printout of payroll or HR records)
12. Copy of a current, up to date business bank statement showing bank name, business name and address, account name, account number and sort code
13. If you are not operating on a 100% business-to-business basis, provide either an email/letter from the MD **OR** a letter from your Accountants confirming the % of turnover which is business-to-business vs. business-to-consumer/retail. (Minimum % of B2B business activity permissible is 80%, with the maximum of B2C/retail activity being 20%).

GRANT APPLICATION FORM GUIDANCE NOTES

Section 1 - Business Details

SIC code

The United Kingdom Standard Industrial Classification of Economic Activities (SIC) is used to classify businesses, companies and other standard units by the type of economic activity in which they are engaged. SIC codes are used by Companies House and this information must be provided by all companies, whether active or dormant, when they file their first annual return after company formation.

If you do not know your business's SIC code, it will be listed on your entry on the [Companies House](#) website.

Section 2 - Business Ownership

- The OJEU Declaration form must be completed by all applicants including companies within the group. The form can be found from page 41 of the User Guide to the SME Definition available at www.birmingham.gov.uk/downloads/20199/business_growth_programme.
- The OJEU form must be printed, completed, signed, scanned and returned with the application form.

Section 3 - Business Background

The details to be included in this section should be the following, where applicable - when and where your business began trading, relocations with dates, additional offices opened, location of your clients (ie local, national, Europe, worldwide - state which countries), increase in product range, diversification of products/services, increases in employees.

Section 4 - Project Proposal

vi) Anticipated timescales

- If approved, projects must be completed and grant monies claimed **by February 2019 at the very latest**. Priority will be given to investment-ready projects that can be completed before this time. Projects extending beyond the February 2019 deadline will not be considered.

Section 5 - Business Relocation/Expansion

ii) Premises details

- We will require a copy of the new lease agreement when signed once the relocation to new/additional premises has been completed.

Section 6 - Project Costs

i) Procurement

As this programme is managed by Birmingham City Council, it is recommended that a minimum of 3 written quotations are secured for each item above £1,000 listed in Section 6 of your application.

Before completing an application, you should read the information contained in the document entitled 'BGP Procurement Guidance notes' which will assist you when considering your procurement obligations www.birmingham.gov.uk/downloads/20199/business_growth_programme. Please note that it is **general** guidance and you are advised to refer to the document [ESIF-GN-1-001 Version 5](#) (the 'ESIF Guidance') and if necessary, obtain independent procurement advice.

NOTE: For all expenditure, the suppliers must not be persons or businesses connected to your business, directors or shareholders.

ii) Cost breakdown

VAT is **not** claimable on grants and all item costs should be entered excluding VAT.

iii) Business Area Location and Grant Intervention Rate

- ERDF grant intervention rates will vary to a maximum of 50 or 60% depending on where your business is located, as follows:

LEP Area	Intervention Rate
Greater Birmingham & Solihull	More Developed - Maximum 50% Transitional - Maximum 60%
Stoke-on-Trent and Staffordshire	Transitional - Maximum 60%
The Marches	More Developed - Maximum 50% Transitional - Maximum 60%

- To confirm which LEP area the business falls within, contact your growth hub or refer to:

[Greater Birmingham and Solihull LEP](#) [The Marches LEP](#) [Stoke-on-Trent and Staffordshire LEP](#)

Local Authority	Category of Region – Intervention Rate
Birmingham City Council	More Developed - Maximum 50%
Bromsgrove District Council	More Developed - Maximum 50%
Cannock Chase District Council	Transitional - Maximum 60%
East Staffordshire Borough Council	Transitional - Maximum 60%
Lichfield District Council	Transitional - Maximum 60%
Redditch Borough Council	More Developed - Maximum 50%
Solihull Metropolitan Borough Council	More Developed - Maximum 50%
Tamworth Borough Council	Transitional - Maximum 60%
Wyre Forest District Council	More Developed - Maximum 50%
City of Stoke-on-Trent	Transitional - Maximum 60%
Newcastle-under-Lyme Borough Council	Transitional - Maximum 60%
South Staffordshire Council	Transitional - Maximum 60%
Staffordshire Moorlands District Council	Transitional - Maximum 60%
Herefordshire Council	More Developed - Maximum 50%
Shropshire Council	Transitional - Maximum 60%
Telford and Wrekin Council	Transitional - Maximum 60%

iv) Match Funding

- The grant has to be match funded by the applicant. This can be from internal resources (eg existing loan or overdraft facility) or external finance (eg new loans, overdraft facility, equity investment or funds from directors or shareholders).
- The source of the match funding cannot be via Hire Purchase or similar financial products involving a financial arrangement whereby an item is paid for in instalments, as this does not provide full evidence of defrayed expenditure.

Section 7 Project Impact - Jobs Created

- At least 1 equivalent full-time job must be created for every £10,000 of grant support received from the BDP, ie:

- grant requested £10,000 - one job required
 - grant requested £10,001 to £20,000 - two jobs required.
- Not being able to achieve these levels of grant against new jobs will lead to the grant being reduced to the above mentioned levels.
 - The project **must** result in net new jobs which are calculated by comparing existing staff levels at the start of the project with those at the end of the project.
 - For the purposes of job targets, the definition of a full time job is one of 36 hours or more a week.
 - The jobs created will be expected to be sustained for a minimum of 1 year.
 - A payroll printout or HR records should be submitted with the application form to evidence the number of direct* employees in your business before your project is undertaken. Once the BDP project has been completed, you will be asked for Contracts of Employment for new employees and an updated payroll printout to evidence the increase in net new jobs.
 - *direct employees exclude any self-employed, sub-contracted, agency staff, apprentices, graduate placements, or any zero hour contracted staff.
 - Any new jobs created as a result of the project, should not include any of the job categories listed above, as they will be ineligible.

Section 9 State Aid Assistance

State Aid refers to financial support from a public or publicly funded body given to organisations which has the potential to distort competition and affect trade between member states of the European Union (EU).

State Aid is generally prohibited by EU rules. However, there are exceptions to this, and some financial aid is allowed under the 'de minimis' rules if the total amount of funding received by an organisation does not exceed a prescribed limit.

The BDP operates in accordance with de minimis State Aid Regulations (under EC regulation number 1407/2013). This allows an individual applicant business/organisation to receive a maximum of €200,000 of funding (cash grant equivalent) over a 3 year period (the current and previous two financial years). The sterling equivalent is calculated using the Commission exchange rate applicable on the written date of offer of the de minimis funding.

This ceiling takes into account all public assistance given as de minimis funding for the current and previous two financial years which can take various forms (grants, loans, subsidised contracts, etc). Aid given under an approved scheme does not have to be cumulated with de minimis aid, provided any such de minimis aid is not awarded towards the same eligible costs as those supported via that approved scheme.

Exclusions:

- De minimis aid cannot be given for export related activities (except attendance at trade fairs) or aid favouring domestic goods over imports.
- For undertakings active in the road freight transport sector, the de minimis ceiling is €100k.
- De minimis aid cannot be awarded for the acquisition of road freight transport vehicles.
- De minimis aid cannot be used to top up awards made under approved State aid schemes, resulting in a circumvention of the aid intensities set out in the rules attached to such schemes. In these cases it can only be awarded towards separate eligible costs.

To confirm that you are able to receive assistance from the BDP, you must declare the full amount of aid, from any public source, and in any format, you have already received over the last 3 financial

years. You must declare whether or not it was de minimis aid. All aid received whether de minimis aid or exempted aid must be declared. You must be explicit in your explanation of what the aid you received has been used for.

The following is not a comprehensive list of the possible forms of aid. However, it should give an indication of the most common forms of aid which you may have been given over the past three financial years. Potentially, any assistance from a public body might be an aid:

- grants from public bodies
- loans from public bodies at favourable rates
- loan guarantees from public bodies
- differential tax benefits
- grants from an investment trust (including charities) which may themselves have received the funds from a public body
- grants from a part publicly funded venture capital fund
- publicly administered funds, even if the funds were originally not public, such as the national lottery
- landfill tax
- waiving or deferral of fees or interest normally due to a public body.
- monopoly licences or guarantees of market share
- advertising via a public channel such as a tourist board or state owned television
- consultancy advice provided either free or at a reduced rate
- training provided either free or at a reduced rate
- aid for investment in environmental projects
- provision of a free or reduced rate feasibility study for research and development or other assistance with research and development
- purchase of public land or property at a less than market rate
- benefiting from the provision of infrastructure where your business was pre-identified as a beneficiary.

These types of aid may have been provided under de minimis (as de minimis aid) or under another State Aid regulation. If you are in any doubt whether aid received was [de minimis aid](#) or about its value, contact your local partner.

Any de minimis aid awarded to you under the BDP will have to be declared if you apply, or have applied, for any other public funding. Therefore, if successful, the offer letter must be retained and shown to any other public body to which you apply for funding for the three years following the offer.

False declarations will lead to the recovery of the value of the assistance provided plus interest.

Note that where a business is part of a group, the €200,000 limit applies to the group as a whole for public sector support within the United Kingdom.

Section 13 - Equalities Monitoring

- Minimum business beneficiary data has to be collected by all projects funded through ERDF. BCC itself is committed to Equality of Opportunity in the delivery of their services, irrespective of your gender, race, disability, colour, ethnic or national origin, nationality, sexuality, gender identity, religion or age.
- You do not have to disclose any information you do not wish to; however, you can assist us to raise our standards in this area by completing the information requested in this section. The information will be treated as confidential under the Data Protection Act 1998.

Submission of your Application

When your application form has been completed, before submitting it to BCC, ensure that you have answered all questions fully and have completed all boxes. Print it out, sign it and scan it so that the signed version can be e-mailed along with all documentation requested in Section 14 (Check list). Incomplete applications will not be considered and will be returned.

PROCESSES

F. APPLICATION PROCESS

- i) Once your application has been received by BCC, you will receive an e-mail notifying you of its receipt. It will then be checked to ensure that all documentation required has been submitted with the application form. It will then be allocated to a project co-ordinator who will undertake a project assessment ensuring that all questions have been fully answered. If at this stage it is felt that your project would be more suited to one of the other programmes within the BGP, you will be contacted by the project co-ordinator to discuss it.
- ii) When the project co-ordinator is satisfied with the application contents, it will be allocated to a finance officer for financial assessment. You may be contacted at this stage if anything needs clarifying. When both assessments have been passed, the application will be allocated to a Project Officer (PO) who will prepare a summary of your application. Your application will then be scheduled for presentation to a panel for consideration.
- iii) If you have not submitted all requested documentation with your application or it does not pass both of the assessments, the project co-ordinator will return it to you with an explanation as to why it cannot proceed and advise you whether it can be resubmitted.

G. PANEL PROCESS

- i) The BDP panels will be chaired by a BCC business manager and consist of 3 to 4 representatives from the partners, a representative from BCC's Finance team, a note taker and the PO presenting applications for consideration on behalf of businesses. The PO will present the application to the panel and the finance officer will go through their financial appraisal. The panel will discuss applications based on the application form and both presentations.
- ii) Approval is not guaranteed and the panel will make one of three decisions:
 - 1. Application recommended for approval.
 - 2. Application deferred. In this case, you will be contacted for the information before the application can be re-presented at another panel meeting.
 - 3. Application declined. In this case, you will receive a letter outlining the reasons why your application was declined.
- iii) Where a panel member has declared an interest in a business whose application is being considered by the panel, they may take part in the discussion but will not vote.

H. APPROVED APPLICATIONS

- i) When your application has been approved, a funding agreement stating the amount of grant offered and the terms and conditions will be sent to you.

Included with the SME funding agreement will be the following:

- new vendor form
- new vendor request form guidance notes.

The New Vendor Form should be completed and returned to BCC with the original signed funding agreement. You will receive an e-mail from BCC notifying you of its receipt.

- ii) Payments will be made against project expenditure defrayed **after** the date the Funding Agreement is signed (Annex 1 of the agreement). Therefore, do not commence your project until you have signed and returned the agreement. Note that you have 5 working days from the date of the agreement to complete and return it to BCC.

iii) Your allocated PO will then arrange a benchmark visit with you to discuss the following programme documentation:

- SME funding agreement
- SME claim summary form
- asset register (if applicable)
- jobs created form
- employee monitoring form
- customer satisfaction survey
- project completion form.

Your PO will also take photographs of the front of your building and the reception area, and where applicable, the location for new equipment, the area of the premises to be expanded into or the new premises to be relocated into.

The 'SME guide to making grant claims' will be sent prior to the benchmark visit as it is a longer document than those listed above, about which you may have questions.

I. MARKETING

i) If your project includes funding to produce marketing material, then you **MUST** acknowledge the source of the funding within any items you produce and follow the ESIF Branding and Publicity Requirements. The Marketing Compliance Checklist gives an indication of what you need to address to make your marketing collateral ERDF compliant, but this is an indicative guide only and it is recommended that to ensure full compliance, you read the ESIF requirements which provide full guidance on logo size, colour, positioning, clearance zone, etc.

www.birmingham.gov.uk/downloads/20199/business_growth_programme

[ESIF Branding and Publicity Requirements v6 - Gov.uk.](#)

Your BCC PO will provide the logo in either .jpg, .tif or .eps format.

- ii) If it is found that a business has not adhered to the Requirements, grant funding may be withdrawn or, where grant funding has already been paid, it may be reclaimed. Your PO will supply you with the relevant logos you need to display.
- iii) For press releases, advertisements and articles, BCC needs to approve the content prior to issuing. Copies of these items should be sent to the e-mail address listed in the Marketing Compliance Checklist. Sample press release templates can also be provided.

J. GRANT PAYMENTS

- i) Approved businesses will have **to complete their projects by February 2019 at the very latest** including spend, defrayal and claiming the grant. Priority will be given to investment-ready projects that can be completed before this time. Projects extending beyond the February 2019 deadline will not be considered.
- ii) All expenditure undertaken as part of the financial assistance grant project **MUST** be paid for by cheque or bank transfer so that a clear evidence trail can be demonstrated. Any payments made in cash will not be reimbursed against.
- iii) BCC will only reimburse against invoices for eligible expenditure dated **after the date when the Funding Agreement was accepted.**
- iv) Grant payments are issued as a **reimbursement of eligible expenditure** (ie paid in arrears) incurred by the business and will be paid on production of relevant evidence, ie copies of invoices for approved eligible costs and bank statements to evidence the payments. All documents required to make a claim should be sent by e-mail to your PO.

- v) All documents listed in iv) above submitted as part of a grant claim should clearly state 'Certified as a true copy of the original' and be signed and dated. Any documents submitted without this will be returned and reimbursement will be delayed.
- vi) Grants can be claimed either at the completion of your project or by instalments of at least £5,000.
- vii) Grant claims should not include VAT.
- viii) Grant payments will be reimbursed at the percentage rate listed on page 1 of your funding agreement for eligible expenditure submitted until the approved grant amount has been reached. (Refer to Section 6 Project costs above, ii) Business area location and grant intervention rates.)
- ix) Grant payments will be made directly to your business's bank account using details supplied on the new vendor request form. Grant payments will not be made to third parties.

K. PROJECT VARIATIONS

- i) Once approval has been granted and the funding offer accepted, any changes to the costs, suppliers, items to be purchased or project end date should be **notified in writing** to your BCC PO. A grant variation request process will be undertaken where applicable.
- ii) If the variation is agreed to, where applicable, a grant variation offer letter will be sent to you with a variation acceptance form to be completed and returned to your BCC PO. Only when that has been received will the grant be reimbursed against the changes.
- iii) Any variations to the costs, suppliers or items to be purchased not agreed to and subsequently submitted for reimbursement will not be refunded against.
- iv) Failure to submit relevant documentation for reimbursement of your grant by the agreed project end date could result in your grant being withdrawn or the remainder being withdrawn where payments have already been made.

L. MONITORING

- i) A condition of this grant is that the assisted businesses must create new full time equivalent jobs (lasting 1 year or more, minimum of 36 hours a week) for every £10,000 of grant awarded that will start after the date of the acceptance of the funding offer letter. The new jobs will need to be created by February 2019 at the very latest, priority will be given to projects that can create jobs before this time.
- ii) Once all grant payments have been completed, businesses will be sent a 'Jobs created' and 'Employee Monitoring' forms for completion. The Employee Monitoring form is for completion by each new employee. The forms should be e-mailed to your PO along with the new employee's contracts and a copy of the HR records or payroll printout.
- iii) Failure to complete this form or create the required number of jobs may result in grant monies paid being reclaimed by Birmingham City Council.
- iv) When you have submitted your last claim, where applicable, your PO will arrange a verification visit to take photographs of the new equipment or area which has been expanded into, where applicable, and discuss the 'Project Completion' form and 'Customer Satisfaction Survey'. The Project Completion form provides details of the jobs created and other impacts that the grant has had on the business in terms of increase in turnover, increase in customers and development of new products/services

You will also be given an SME publicity poster stating how the grant was used which should be displayed in the reception area of your business for 12 months after your project ended.

Your final claim will be processed once the above has been completed.

M. FURTHER INFORMATION

- i) It may take up to 6 weeks from submission of your application to BCC before you receive a decision.
- ii) Applications will be assessed on a case by case basis and as such, awards will vary depending on evidence provided, viability of your business and the project to be undertaken.
- iii) Grants for the Business Development Programme will be awarded on a first-come-first-served basis until the budget allocation has been reached.

