



Capital Growth Grant

Guidance Notes

1. Aim of the Grant

This grant supports Small and Medium-sized Enterprises (SMEs) located in the South Midlands to unlock their innovation potential.

It provides **capital** funding to:

- Accelerate business growth
- Foster innovation
- Support decarbonisation efforts

Projects must contribute to local priorities (including the local authority area where the application is based).

LOCAL COUNCIL PRIORITIES	
North Northamptonshire Council • Mobility for opportunity • Space for innovation and growth • Value and opportunity from logistics • Diverse, competitive businesses • Net zero technology • Connecting the towns • Raising aspiration: linking people and jobs • Promoting North Northamptonshire's opportunity	West Northamptonshire Council • Grow investment sectors to encourage higher value employment • Invest in innovation and productivity support • Reduce carbon emissions amongst businesses • Increase the number of ambitious growth businesses
Milton Keynes City Council • Support growth of local enterprises and high value sectors • Develop a skilled workforce through education, training and business partnerships • Regenerate town centres and improve infrastructure to support business activity • Promote green and sustainable business practices	Central Bedfordshire Council • Grow a productive, creative, and innovative economy • Enable a highly skilled and enterprising workforce • Deliver transformational infrastructure and place-making • Achieve net zero and transition to a green economy
Luton Borough Council • Grow key sectors and attract inward investment to create good quality jobs • Support business productivity and innovation, especially among SMEs	Bedford Borough Council • Stimulate business growth and inward investment across the borough • Invest in innovation, and productivity support



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| <ul style="list-style-type: none">• Enable inclusive growth by tackling barriers to employment and skills• Drive sustainable, low-carbon business growth across the local economy | <ul style="list-style-type: none">• Reduce carbon emissions amongst businesses• Increase the number of ambitious growth businesses |
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2. Priority Themes

2.1 Innovation

Funding should help your enterprise become more innovative. This could include product, service, or process innovation, such as:

- Introducing a new product to the business or the market.
- Introducing a new service to the business or the market.
- Introducing a new process to the business.

New to the market:

A product is considered new to the market if there is no other product offering the same functionality, or if the design or technology is fundamentally different from existing products.

New to the business:

Funding can also support developing a product or service that is new to your business (i.e. your business has not previously produced it or the production technology is fundamentally different).

Products can be tangible or intangible.

Decarbonisation requirement:

If your project contributes to carbon reduction, you must submit a decarbonisation plan upon project completion. If you require support with this, contact cgg@southmidlands.org.uk.

2.2 Sustainability and Decarbonisation

Funding should help your business adopt greener, more sustainable practices — contributing to reducing costs, cutting greenhouse gas emissions, and progressing towards net-zero.

2.3 Growth and Jobs

This scheme also aims to enable business growth, job creation and job safeguarding.

- A new job means a permanent, paid, full-time equivalent (FTE) role created following support (this includes part-time jobs on an FTE basis).
- The role must be new (not existing before the project) and expected to last at least 12 months.



- Safeguarded jobs refer to existing permanent roles that would have been at risk without the support provided, and which are expected to be retained for a minimum of 12 months

3. Funding Available

- Individual grant amounts: £5,000 to £50,000.
- 50% match funding is required (you must fund at least half of the total project cost yourself).
- Grants are for **capital expenditure only**.

Submitting an application does not guarantee funding. Applications will be assessed competitively.

4. Eligible Businesses

Applicants must:

- Be an SME (your company (or group) must employ less than 250 people and your turnover is less than €50m or annual balance sheet less than €43m).
- Be a registered enterprise.
- Be based in the South Midlands (registered in the UK).
- Must not be an “undertaking in difficulty”.
- Charities and not-for-profit organisations are eligible if they meet the scheme obligations.
- Businesses in liquidation, dissolved, struck off or subject to a striking-off notice are **not** eligible.

5. Eligible Costs

You can apply for between £5,000 and £50,000 towards costs directly related to delivering innovative projects. Examples include:

- Plant, equipment and machinery acquisition.
- Diversification into new products.
- Fundamental changes to production processes.
- Improvements to commercial buildings (with evidence such as a 3-year lease, title registration, rates bill, and planning permission if applicable).
- Equipment to support new product/service development.
- Software development.
- Website development – website development costs can be capitalised if the following conditions are met:



- The costs are directly related to the creation or acquisition of a website or web application that will be used in the business's operations.
- The website or web application is expected to provide economic benefits to the business over a period of time and not simply for promotion and advertising purposes.
- The costs can be reliably measured.

6. Ineligible Costs

Examples of costs that **cannot** be funded include (this list is not exhaustive):

- General business set-up, core running or staff costs, working capital (e.g. stock, wages, utilities, debt repayment).
- Non-project or non-business expenditure.
- Costs incurred before the grant offer date or after the scheme end date.
- Like-for-like replacements not driven by innovation or carbon reduction.
- Routine replacement of consumables, laptops, software licences.
- Vans or commercial vehicles.
- Purchase of land or buildings, or improvements to domestic/private dwellings.
- We are unable to accept more than one application from linked companies in this funding round. Linked companies are businesses that are connected – for example, if one company owns or controls another, or if they share the same owners or directors.

If you are unsure if your costs are eligible, please check with us before applying.

7. Application Process

There is a two-stage process:

1. Expression of Interest (EOI)

- Assesses project eligibility
- Grant team will respond within 5 working days
- **Deadline for receipt of EOI: 5.00pm on Wednesday 17th December 2025.**

2. Full Application

- If your EOI is approved you will be invited to submit a full application and supporting documentation.
- Successful projects **must not start until written approval has been issued** (expected from week commencing 23rd February 2026).
- **Deadline for receipt of applications: 5.00pm on Tuesday 20th January 2026.**



- Projects must be completed by 31st December 2026.
- Incomplete applications or missing documentation will be rejected and you may not get another chance to reapply. If you need help, contact cgg@southmidlands.org.uk.

8. Procurement Rules

All projects must comply with procurement procedures.

We would recommend discussing your intended procurement approach with a Business Adviser before applying.

Contract

Value (excl. VAT) Requirement

Up to £4,999 At least one written quote from a local provider

£5,000 up to £24,999	Seek to obtain at least three written quotes (at least one from a local provider). If you are unable to submit the required number of quotes, you will need to show evidence that you have sought to obtain a quote via email.
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£25,000 up to £214,903	You must provide a procurement specification from which three written quotes are sought (at least one from a local provider). If you are unable to submit the required number of quotes, you will need to show evidence that you have sought to obtain a quote via email (with the specification attached). We would expect quotes to align with the procurement specification.
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Above £214,904	Please provide a copy of your procurement policy
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All quotes must:

- Come from independent, unrelated suppliers.
- Be sourced independently (not by a supplier on your behalf).
- Include: itemised costs, VAT status, business name/address/phone, company number, VAT number, website.
- Be comparable ("like for like").
- Be less than 3 months old and still valid.
- Be addressed to your organisation.

You are not obliged to accept the lowest quote, but you must provide written justification showing experience and/or value for money.



If awarded funding, you must use the named preferred supplier unless you get prior written approval for any changes.

9. Submission

Please submit your application via the online portal by **5.00pm on Tuesday 20th January 2026**.

If your application goes to Grant Investment Panel you will be invited to present your application. This will take place week commencing 23rd February 2026.

10. Assessment and Offer

Applications and presentations will be reviewed by an Investment Panel, which will consider:

- Clarity of proposal.
- Value for money.
- Impact on the business and local economy.
- Need for financial support.
- Deliverability.
- Financial viability of the business.

The Panel has the right to refuse grant assistance or decide on the percentage of grant awarded against eligible expenditure. The Panel's decision is final.

If approved, you will receive a Grant Offer Letter - this date is the earliest you can start your project. Costs incurred before this date are ineligible.

11. Claiming the Grant

Once you have paid for the goods/services, submit a grant claim form with:

- Certified copies of supplier invoices.
- Certified redacted bank statements showing payment from your business account.

12. Implementation and Changes

Any changes (supplier, value, timescales) must receive prior written approval from the Growth Hub/Investment Panel.

Unapproved changes will invalidate your grant.

13. Contact

If you have questions about the scheme, application process or documentation, contact:

cgg@southmidlands.org.uk, requesting support from a Business Adviser.