



Capital Growth Grant

Guidance Notes

Please read these guidance notes and visit our [website](#) to access pre-recorded webinars and frequently asked questions. We will also be holding Q&A sessions and dates will be available on our [website](#).

1. Grant Objectives

This grant supports small and medium-sized businesses (SMEs) in the South Midlands to explore, plan, and deliver innovation projects. It helps businesses develop new ideas, improve products or processes, and bring strategic projects to life. The aim is to drive business growth, encourage innovation, and support efforts to reduce carbon emissions and move towards more sustainable practices.

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

LOCAL COUNCIL PRIORITIES	
<p>North Northamptonshire Council</p> <ul style="list-style-type: none"> • 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 	<p>West Northamptonshire Council</p> <ul style="list-style-type: none"> • 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
<p>Milton Keynes City Council</p> <ul style="list-style-type: none"> • 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 	<p>Central Bedfordshire Council</p> <ul style="list-style-type: none"> • 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
<p>Luton Borough Council</p> <ul style="list-style-type: none"> • Grow key sectors and attract inward investment to create good quality jobs • Support business productivity and innovation, especially among SMEs 	<p>Bedford Borough Council</p> <ul style="list-style-type: none"> • Stimulate business growth and inward investment across the borough • Invest in innovation, and productivity support



<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 business 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.

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. If decarbonisation is your priority, this must be clearly linked to innovation and business growth. Please explain how your proposed activity will drive both innovation and growth alongside decarbonisation.

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.

2.3 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 £25,000.
- 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 a trading enterprise or engaged in business activity.
- 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 £25,000 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.
- Patents
- Domain names
- Software development.
 - Purchased software licences (Perpetual) – A one-off, lump sum payment for a licence to use software indefinitely
 - Software Development – coding and testing, installation and configuration.
 - Hardware – Hardware directly related to the software project.
 - Costs for new functionality that improves the capability of existing hardware
 - Embedded Software (Firmware) – Software that is essential to the functionality of hardware (e.g. an operating system on a server).
- 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.
 - Videography/photography for a website may be capitalised if it is created as part of the initial build or a major long-term overhaul, adds enduring value to the business, and can be treated as a fixed asset.

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.
- Monthly or annual Software such as Service licences.
- Software Maintenance, training and bug fixing once the software is live.
- Minor software updates that do not add functionality.



- Vans or commercial vehicles.
- Purchase of land or buildings, or improvements to domestic/private dwellings.
- Stand alone social media set up/management fees.
- 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
- **Deadline for receipt of EOI: 5.00pm on 23rd July 2026.**
- Please ensure you answer each question thoroughly, as this will help us complete our eligibility checks. If any sections are incomplete or documents are missing, we will be unable to process your EOI. As this is a competitive grant programme, applications that do not meet the eligibility criteria or programme objectives will not be successful.
- Your EOI will go through an initial screening to assess whether your EOI demonstrates sufficient potential, strategic alignment and feasibility to progress to a full grant application.
- **THIS IS A HIGHLY COMPETITIVE GRANT PROGRAMME, AND WE EXPECT TO FUND APPROXIMATELY 30% OF APPLICATIONS RECEIVED.**
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2. Full Application (if invited to apply)

- If your EOI is approved you will be invited to submit a full application and supporting documentation w/c 17th August 2026. (All emails will be sent from cgg@southmidlands.org.uk. If you do not receive the email please check your spam folder.)
- Successful projects **must not start until written approval has been issued** (expected from week commencing 23rd November 2026).
- **Deadline for receipt of applications: 5.00pm on 25th September 2026.**
- Projects must be completed by 31st December 2027
- 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.

When buying multiple items from one supplier, if the combined total goes over the thresholds below, you'll need to provide the corresponding number of quotes. If you have any queries please email cgg@southmidlands.org.uk

Contract

Value (excl. Requirement VAT)

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.

£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.

Above £214,904 Please provide a copy of your procurement policy

If you are unable to obtain the required number of quotes or provide evidence that you have tried to obtain quotes, please email cgg@southmidlands.org.uk for further information.

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. Please ensure all quotes show if VAT is included in the price.
- Be comparable ("like for like").
- Be dated less than 3 months old and still valid at the time of submission.
- 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

If you are invited to apply your application will need to be submitted via the online portal by **5.00pm on 25th September 2026**.

If your application goes to the Grant Investment Panel you will be required to pitch your application in person. Pitches will take place week commencing 9th November and will be assessed using an evaluation framework that will be provided after application stage if you are successful.

10. Assessment and Offer

Applications and pitches will be reviewed by an Investment Grant 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. Core Values

At South Midlands Growth Hub, our core values are empowerment, collaboration, respect, innovation, and courage.



HM Government

**South Midlands
Growth Hub**

We do not tolerate any form of harassment, bullying, or inappropriate behaviour towards our staff, Directors, Consultants, or anyone acting on behalf of South Midlands Growth Hub.

If behaviour is deemed inappropriate, we reserve the right to terminate communication across any platform, including email, text, social media, or telephone. Should such behaviour persist, it will be formally escalated.

We are committed to working with individuals and businesses who share and uphold our core values. If we believe that you or your organisation do not align with these values, or are acting in a way that compromises them, we reserve the right to terminate our working relationship.

14. Contact

If you have questions about the scheme, application process, or required documentation, please visit our [website](#) to view the pre-recorded sessions and FAQs. If these do not address your questions and you would like to speak to a member of our team, please contact: cgg@southmidlands.org.uk.