



**Property Assistance Grants Programme  
European Regional Development Fund (ERDF)**

**Guidance for Applicants**

ERDF is a component of the European Union's Structural Funds. Structural Funds are monies allocated to regions (in this case the West Midlands) to stimulate economic development.

ERDF Programme Objectives:

- Achieve a significant increase in the productivity of the business base in the West Midlands.
- Reduce unemployment and inequalities.
- Ensure that the region's economic growth is achieved in a sustainable manner.

Birmingham City Council has gained approval to use ERDF funding for a new Property Assistance Grants Programme. This will support small and medium sized enterprises (SMEs) to create new and improved workspace and thereby supporting jobs.

Grants will be payable as a contribution of up to 50% of the eligible project development costs from a minimum grant value of £20,000 up to a maximum of £100,000.

The following information is intended to assist you in making an application for assistance from the programme. Please read the enclosed guidance carefully as the answers you provide in your application will form the basis of a contract of grant aid.

**Please note that we cannot approve your application until any necessary planning permission has been granted.**

**For further information and advice about your eligibility or for application advice**

**You are encouraged to contact: Tel No: 0121 303 1115 or**

**Email: [planningandregenerationenquiries@birmingham.gov.uk](mailto:planningandregenerationenquiries@birmingham.gov.uk)**

**If you can take your project forward you will be assigned a BCC Project Officer.**

**The completed final application form together with all the supporting information requested should be sent:**

- **(Preferably) via email to [planningandregenerationenquiries@birmingham.gov.uk](mailto:planningandregenerationenquiries@birmingham.gov.uk)**
- **Or in a sealed envelope to Birmingham City Council, Planning and Regeneration, PO Box 28, Birmingham, B1 1TU**



## **Completing the Application Form**

Please use these guidance notes to help you complete the application form. You are encouraged to contact us if you are unsure about any of the aspects of this form and process.

### **Section 1 – Project Title**

Please complete all sections.

**Start Date** (Funding Period Commencement Date) – this is the date you anticipate starting the project. You must allow sufficient time to obtain all necessary approvals, such as planning approval, before your start date. Our approval process will take approximately 12 weeks to complete.

**End Date** (Funding Period End Date) – by this date all the building works will be completed and all the outputs will have been achieved.

**Total Project cost** is the Match (the applicant contribution) plus the ERDF Funding requested.

### **Section 2 – Project Applicant**

Please complete all sections.

**Q2.1** Please tick as appropriate

**Q2.2** To be eligible for an ERDF Property Assistance Grant, more than 50% of your organisation's annual income must come from private sector sources.

**Q2.3 + Q2.4** Please complete if applicable.

**Q2.5** To be eligible for an ERDF Property Assistance Grant you must be a small or medium sized enterprise (SME). An SME is defined as:

- Employing 250 or less staff;
- Having either an annual turnover not exceeding €50m (Approx. £37.5m depending on exchange rates at the time) or an annual balance sheet total not exceeding €43m (Approx. £33 m depending on exchange rates at the time);
- Where no more than 25% of the capital or voting rights is owned by an enterprise (holding company) which is itself not an SME.

We can provide the full legal definition of an SME if required.



**Q2.6** Please complete. Number of employees should be Full Time Equivalent (FTE) where Full Time = 30hrs per week.

**Q2.7 – Q2.10** Please complete as appropriate.

### **Section 3 – Group and Related Company Detail**

You only need to complete this Section if your company is part of a Group. This information is required to help us establish whether the Company is an SME; to help us understand the relationship between the parent & any subsidiary groups; and the level of control/influence over other companies.

### **Section 4 – Project Details**

**Q4.1 Description of Project** - please provide sufficient information for us to understand:-

- the works to be carried out,
- when the project will be delivered,
- how it will be delivered,
- who will be responsible for the works (including any recruitment needed),
- who will carry out the works (including any recruitment/procurement needed),
- what will be the benefits/impact of the project (including outputs and longer-term benefits/impact).

**Q4.2 Market Demand** - It is important that there is clearly demonstrated market demand for your project to ensure that the impact of the project on the area and wider economy is likely to be achieved. In addition it is important to demonstrate that the achievement of your proposed outputs is realistic. Please refer to sections of your business plan, market research/surveys, consultations etc as appropriate.

**Q4.3 Priorities** - Please read the Key Priorities documents relating to the area in which your project is sited. This document sets out the priorities for these funding programmes. Please explain how your project will meet/contribute to these priorities. Ensure that you include both the Strategic and Funding Priorities.

**Q4.4** Please describe the activities currently being carried out at the premise (if any), including use class where possible.

**Q4.5 End Use Activities** – The BCC Property Assistance grant programme is designed to help businesses improve land and premises by providing financial support towards the cost of physical development works, with the primary purpose of increasing and/or improving



business accommodation space and creating or safeguarding jobs. Associated development works may be considered if part of a larger scheme.

The main aim of the programme is to increase business activity in the target area by stimulating investment and the creation of new jobs. Only certain end use activities are eligible for this funding programme.

**Please note: business space funded must be occupied with an eligible end use by latest June 2015.**

**What type of business activity is eligible (list non-exhaustive)?**

B1, B2, planning categories:-  
Manufacturing and processing  
Office uses  
Business to business services

**Not eligible (list non-exhaustive):**

Retail  
Public services  
Housing  
Purely warehousing and distribution  
Business to public services  
Education  
Restaurants and catering  
Hotels (unless there is clear evidence of market need)  
Conferencing (unless it is 100% business to business)  
Leisure and events  
Day Nurseries  
Banks and financial institutions

Additional rules for supporting premises for enterprises:

- The rent requested from the tenants must be at the prevailing market rate in the area, unless a lower rate is compatible with State Aid rules.
- The premises should not be constructed to meet the specific requirements of a single user for the economic life time of the investment.
- Only activities which enable the creation or maintenance of permanent jobs are eligible as tenants.
- Demand within the programme area, in terms of size and type of premises, must be demonstrated either by evidence of market failure in the eligible area, full occupancy of similar units in the area or by enquiries from potential occupiers.



- It is recognised, however, that it may be difficult to judge beforehand the type and size of companies that will move into the site. This will be judged at the appraisal stage; in any event the funded business space must be occupied with an eligible end use by June 2015.

**If you are not clear whether your proposed activities are eligible or not, then please seek further advice from your BCC Project Officer before submitting your application.**

**Q4.6 Project Milestones** - It is essential that these key dates are as realistic as possible to assess deliverability and for monitoring purposes. They will also form part of BCC's Conditions of Grant Aid (COGA). Please add in any additional milestones that are relevant for your project.

#### **Q4.7 Financial Information**

**Costs** - It is very important that you include all costs for the project under the relevant headings. The ERDF Grant can be up to a maximum of 50% of the total eligible costs of the project. ERDF grant to the approved % would be paid in arrears based on provision of evidence of costs and payments, and a check on works by BCC's Quantity Surveyors. Details of these arrangements would be discussed with you and included in BCC's Conditions of Grant Aid.

#### **Procurement Requirements:**

For Grant Recipients that are Private Sector, it is a requirement that:-

- For all purchases (services and/or works) of value over £1000 (net of VAT), at least 3 quotations are sought based on the same written description of the item/s.
- For all purchases of value over £100,000 (net of VAT), at least 3 formal tenders are sought based on the same written description of the item/s.
- Above £3.4 million for a works contract, an Official Journal of the European Union (OJEU) process must be followed. If a service contract has been divided into small lots the limit is £679,000 for works contracts.

For quotations and tenders, the best value for money quotation should be chosen based on lowest price (or price / quality evaluation if stated in advance).

For Grant Recipients that are Public Sector, the ERDF Procurement Requirements set out at Schedule 3 of BCC's Conditions of Grant Aid will apply.



## **EXAMPLES OF WORKS ELIGIBLE FOR ASSISTANCE**

- Extension of premises and other new building works
- Internal works – structural works and alterations to walls and floors that result in new/upgraded floorspace.

### **The works below are eligible if associated with the above works**

- Demolition of outworn structures
- Land clearance.
- Frontage improvements.
- Landscaping.
- Business security initiatives.
- Minor improvements to car parking provision (no more than 10% of total eligible building costs).
- Professional fees incurred in the preparation and execution of works capped at 12.5 % of the total eligible building costs.

## **EXAMPLES OF WORKS NOT ELIGIBLE FOR ASSISTANCE**

- Maintenance works.
- Works of a purely cosmetic nature.
- Projects already started before approval for ERDF grant is given
- Land only – without prospect of eligible build
- Works that don't create appropriate project outputs on their own e.g. toilets/ access works
- Larger car parking areas



## **DEFINITIONS OF ELIGIBLE COSTS**

### **Site investigation**

This should take account of specialist investigations required to identify contamination and recommended particular treatments.

### **Site preparation**

This should include demolition works and the general preparation of sites.

### **Building & construction**

This should include external/internal refurbishment and conversion of existing buildings, new build premises, provision of services, and landscaping.

### **Plant & machinery**

This should include tangible fixed assets used for the purpose of providing a service for the project. If plant and machinery is subject to hire/lease purchase agreements, the capitalised value of leasing and hire purchase can be included. The purchase costs of second-hand equipment are eligible provided they meet the needs of the projects and have not been purchased with the aid of national or community grants.

### **Fees**

This should include fees and salaries for design and supervision but professional fees should not normally exceed 12.5% of the total eligible works costs. Fees include legal consultancy fees, notarial fees, and the cost of technical and financial experts if they are directly linked to the ERDF operation and are necessary for its preparation or implementation. Costs of professional services, associated with the management and delivery of the project, e.g. legal and accounting services (but not legal and/or accounting costs dealing with litigation), environmental assessment work could also be included. They will only be eligible if incurred after formal project approval.

### **Other Capital**

Any eligible capital expenditure not covered by the categories above provided it can be clearly demonstrated that these are directly related to the delivery of the project. Publication and publicity activities or independent evaluation costs could be included here.

### **Applicant Contribution (match funding)**



You must provide satisfactory evidence that you can meet the Applicant Contribution (match funding) of 50% of the total costs.

**All match funding must be spent in accordance with the ERDF eligibility rules.**

The 'Project' is the ERDF grant and match funding combined. Therefore, all aspects of the project must be eligible for ERDF and deliver ERDF outputs. ERDF pays for a proportion of all the project's activities.

**Contributions in kind** are ineligible for the BCC Property Assistance Grants Programme.

Discounted sales of equipment, the provision of volunteers' time, the discounted provision of services or advice (e.g. solicitors', accountants' or SME staff time), interest on debts and recoverable VAT are **ineligible project costs**.

**Q4.8 Other Options** – Please provide information regarding further options considered.

**Q4.9** Please tick as appropriate.

**Q4.10 Location of Project** – the project (the site/premises where the proposed works will be carried out) must be located within one of the target areas as set out on the attached map.

**Q4.11 Tenure of Property** – Please provide information regarding the tenure of the property.

If you are the Lessee of the premises where the project is to be carried out there must be a specified number of years left on the lease, as set out in the table below. This is to ensure that the ERDF investment will be protected.

If you are the Lessee of the premises where the project is to be carried out then landlord's approval to the proposed works must be obtained and evidence submitted with your application.

**Q4.12** Please supply the most recent valuation for the property. The City Council will also carry out its own valuation based on market rates. This is needed to ensure there is sufficient equity in the property to enable BCC to place a legal charge on it as needed.

**Please Note** that a legal charge must be completed by Birmingham City Council where the capital grant sum is £25,000 or more or where the aggregate value of various capital grants given to the same organisation within the last 3 years amounts to or exceeds £25,000. There must be sufficient equity in the property to allow BCC to place a charge on it.

No building contract should be entered into, and no work should commence, until the BCC Project Officer has confirmed that the Legal Charge where required has been completed. Legal charges will normally be placed in relation to the grant level according to the table below:



Grant level	Duration of legal charge	Length of Lease
£20,000 to £24,999	None	None
£25,000 to £50,000	10 years	10 years
£50,001 to £100,000	15 years	15 years
£100,001 and over	20 years	20 years

In the case of a project on land/building leased from the City Council, a legal charge is not required provided the lease contains an absolute prohibition on assignment and the use under the lease is the same as that use which is being grant funded. You will not be able to sell the property or use it for purposes other than those for which the Grant is given. A legal charge would however be required where the lease specifies that the property may be used for more than one use but grant funding has only been issued for one of the uses contained in the lease.

**Q4.13** Please provide information (if applicable)

**Q4.14 Planning and Other Consents/Approvals** Formal approval to your project will not be given until all necessary consents are in place. **Please note that any costs incurred before formal approval is given to the project will be ineligible.**

**Q4.15 Planning Conditions** We need to know about any planning conditions relating to your application so that we can understand how they may affect the delivery of the project.

**Q4.16 If your project requires it but you have not yet submitted a planning application -** you will need to do so as soon as possible. Please contact **General Planning Enquiries on 0121 303 1115** for further information. Please be aware that this is likely to delay a decision on your application as approval cannot be given until all necessary consents are in place.

## **Section 5 Proposed Outputs**

**Q5.1 Outputs** - You must achieve at least one of the Floorspace outputs and at least one of the Jobs outputs listed. You will be required to provide satisfactory evidence of their achievement as part of the monitoring process if your application is successful. **Please note that all outputs must be achieved by 30<sup>th</sup> June 2015.**

Where there are 10 or more vacancies being created as a result of the Grant, you will be required (as set out in BCC's conditions of grants aid) to work with the Council's Employment Access Team to agree an Employment and Skills Charter as part of the Council's procurement policy framework for jobs and skills. As part of this you will be requested to complete a Model

Voluntary Agreement. To support the implementation of this Employment and Skills Charter, you will work with the Council’s Employment Access Team to advertise all future vacancies and recruitment exercises via Jobcentre Plus in addition to any other recruitment channels that may be used, to maximise the potential labour pool and ensure local unemployed people have access to job opportunities available.

We are also trying to capture information on the additional outputs listed below. However, these are not required by the programme and will not influence the outcome of your application.

(Further information on the monitoring process and requirements will be provided if your application is successful).

**Output Definitions (edited extracts, full definitions are available)**

Output	Definition
New/Upgraded floorspace	<p>Internal floorspace – The entire area inside the external walls of a building including corridors, lifts, plant rooms, service accommodation.</p> <p>New or Upgraded – New buildings constructed as part of the project.</p> <p>Upgraded buildings – Refurbished, improved or adapted for productive use as part of the project.</p> <p><b>To be counted:</b> On the practical completion of the works and the premises being fully utilised for the agreed end use.</p>
New/Upgraded floorspace with accreditation	<p>Environmental accreditation – e.g. BREEAM/CEEQUAL Post Completion Review Certificate or equivalent.</p> <p><b>To be counted:</b> On receipt of relevant post completion certificate showing the standards achieved – very good or excellent.</p>
Jobs created	<p>Must be a new, permanent, paid, full-time equivalent (FTE) post. Must not have existed before the intervention (they must not relate to a relocation) and should be created as a direct result of the intervention.</p> <p>Must have a life expectancy of at least one year from the point at which it is created.</p> <p>Do not include self-employed, sub-contracted or temporary personnel (e.g. from construction work).</p> <p>Full-time job (FTE) = Paid work of 30 hours or more per week. Convert part time jobs to (FTE) either:</p> <ul style="list-style-type: none"> <li>• on a pro rata basis on hours worked; or</li> </ul>

	<ul style="list-style-type: none"> <li>Two part-time jobs of 15 hours or more per week = one full-time equivalent (FTE).</li> </ul> <p><b>To be counted:</b> When a new, permanent, FTE or equivalent, paid job is created/attracted and the post is filled and occupied for one year.</p>
Jobs safeguarded	<p>Must be a permanent, full time equivalent job (with a life expectancy of one year) which is at risk.</p> <p>Forecast to be lost within one year.</p> <p>To be measured as FTEs as above.</p> <p><b>To be counted:</b> when it is:</p> <ul style="list-style-type: none"> <li>forecast as at risk when the project was approved; and</li> <li>still in existence at the time of counting; and is no longer at risk of being lost within a year.</li> </ul>

**Q5.2 Additional Outputs** - It would be helpful if you can contribute to either of these additional outputs. However, this will not influence the approval of your application.

Additional Outputs	
Brownfield Land reclaimed and/or redeveloped	<p>Area of land in hectares reclaimed or redeveloped.</p> <p>Brownfield Land – Includes contaminated, derelict or previously developed land which is or was occupied by a permanent structure.</p> <p>Reclaimed and Redeveloped – Total number of hectares reclaimed to an acceptable condition and/or redeveloped into effective use.</p> <p>Redeveloped – developing a site and putting up a new building or refurbishing an existing building.</p>
Carbon Dioxide equivalent reduced	<p>Measured in tonnes.</p> <p>New build and refurbishment of buildings that;</p> <ul style="list-style-type: none"> <li>improves the environmental performance of buildings;</li> <li>achieves high building standards above minimum Part L regulations;</li> <li>is verified through BREEAM ratings.</li> </ul>



## **Section 6 Standards**

**Q6.1 Equalities** – Please demonstrate that you have considered the impact your project will have on the business and resident communities in the local area. Ensure that you consider negative impacts as well as positive ones.

**Q6.2 Environmental Sustainability** - Show how you have taken into account the environmental impact of your project and any design steps you have taken to minimise the project's negative impact on the environment, including its carbon footprint.

## **Section 7 Applicant Declaration & Certification**

Please ensure you have read and signed the declaration and certification section.

## **Section 8 Your Development Partners**

Please provide details of any partners working with you in the development of this project.

## **Documents Checklist**

Please make sure you use the Documents Checklist to ensure that you have attached all the necessary documents and information in support of your application.

## **APPRAISAL OF APPLICATIONS**

- Applications will be assessed against the programme criteria and output targets of the programme; jobs safeguarded, new jobs created and creation or upgrading of commercial floorspace.
- Applications will be assessed against deliverability criteria – Can the project be completed within agreed timescales, are there any anticipated delays can the project achieve any spend by the 31st December 2012.
- A robust financial appraisal of the business and the project will be undertaken based upon the information requested in the Documents Checklist.



- A qualified Birmingham City Council Quantity Surveyor will undertake a Value for Money Appraisal (appraise and validate the project costs in the project), and a valuer will ensure that there is sufficient equity in the property to take the BCC legal charge as needed. This will be discussed with you and / or your legal advisor.
- The appraisal process will take between 6 to 8 weeks following submission of a satisfactory application and all supporting documents. This process may take up to 12 weeks where a Legal Charge is required.

### **EXECUTION OF WORKS & PAYMENT OF GRANT**

- Once formal approval of the grant has been given works may commence on site.
- Only costs incurred after the date of the formal approval can be claimed.
- At an interim payment stage(if agreed) , and/ or upon completion of works the grant recipient must provide;
  - Completion certificates
  - Paid invoices for the work
  - Bank statement to evidence payment of invoice/s
- Payment of assistance will be made subject to completion of works as approved and inspected by a qualified Birmingham City Council Quantity Surveyor and/or other officers where appropriate.
- All payments are made retrospectively; applicants must ensure they have sufficient funds to pay for all the works.
- Payments will be made on a pro rata basis i.e. up to 50% of the total project costs incurred at the time of payment.
- Payments may be made in 3 stages:
  - an interim payment (where interim paid invoices and bank statements are provided.
  - a payment when all the building works are complete.
  - 5% of the grant will be retained and will only be paid on receipt of satisfactory evidence that all outputs have been achieved.
- **Please Note: Where expenditure incurred is less than that originally approved, payment of assistance will be based on the approved grant percentage applied to actual expenditure.**

### **GENERAL CONDITIONS OF ASSISTANCE**



- Assistance will be given at the discretion of Birmingham City Council, who will decide the level of grant to be offered and the terms and conditions to be imposed.
- It is the responsibility of the grant applicant to obtain all necessary statutory consents including building regulation approval, planning permission, landlord's consent, and fire officer approval, prior to approval of assistance.
- The applicant will be responsible for the execution of works and failure to complete within agreed timescales may result in withdrawal of any grant offer.
- The applicant will be obliged to maintain the works once completed.
- Officers of the City Council will have the right to enter (with prior notice) the site of the project at any reasonable time to inspect the works and ensure that works are being carried out to a standard that is satisfactory and in accordance with the original specification.
- The applicant will comply with all relevant publicity requirements as set out in the funding agreement.
- Repayment of the grant can apply where the conditions of assistance have been breached; where the property is not used for the purpose originally grant aided; or the property is sold within a set time scale at a price in excess of an agreed valuation, subject to review in individual circumstances.
- Value Added Tax (VAT) is not payable under this programme unless it is irrecoverable.
- The City Council reserves the right to use the name of the grant recipient company and details for publicity purposes.

**All applicants accepting financial assistance must first agree to BCC's ERDF Conditions of Grant Aid and any project specific conditions BCC may set.**

