

# FINANCE IN THE SOUTH WEST

This factsheet looks to summarise our understanding of the main (non-bank, non-asset finance) sources of funding potentially available to businesses in the Heart of the South West and West of England LEP areas in April 2019.

## GRANT FUNDS

### European Structural Investment Funds (ESIF) Growth Programme

Schemes are coming on stream and being administered centrally via a national 'call' process. To view current 'calls' visit <https://www.gov.uk/european-structural-investment-funds> then tick Location: South West but note that this indicates calls within the South West as a whole. Each call has its own specifications including LEP area(s) covered.

### Feed-In Tariffs (FITs), Renewable Heat Incentive (RHI) & Renewable Obligation Certificates (ROCs)

Funding to encourage investment in renewable energy generation - contact our Energy and Sustainability team for further details on each 'incentive'.

### Innovate UK

Agency focused on providing grant funding to companies engaged in: emerging and enabling technologies, health and life sciences, infrastructure systems, manufacturing and materials. There is also an open programme, which is accessible to all businesses undertaking innovation, irrespective of the technology or sector they're working in.

### Green Business Fund from the Carbon Trust

Launched by The Carbon Trust, the fund seeks to help SMEs become more energy efficient through financial support towards energy efficiency assessments and advice on implementation and equipment procurement.

### Rural Innovation Grant

The successful applicant will receive £30,000 of funding from Quilter Cheviot Investment Management. Applications are open to UK companies who are using innovation to benefit rural areas. To be eligible the business must be able to demonstrate that the project will support the rural community and develop a more sustainable rural economy.

### The Prince's Countryside Fund

Grants of up to £50k are available for innovative projects that can provide a long term positive impact to individuals and rural communities. Please note that individuals or private farm businesses are not eligible for application and applicants must be in a rural area.

### Santander Foundation - Discovery Grants

The Santander Foundation is awarding grants of up to £5k to UK registered charities, CICs and credit unions. Projects must aim to help disadvantaged people in three key areas to help them make the most of their future. The opportunity is primarily aimed at small local projects lasting for up to 12 months.

### European Maritime Fisheries Fund (EMFF)

EMFF opened in 2016 and will run until 2020 or until all available money has been allocated. It will open on a phased basis; with phases covering some of the 6 broad categories covered by EMFF which are: Fishing vessel energy improvements; Investments on board vessels; Improvements to shore based facilities; Partnerships and information sharing; Seafood processing and investments in fisheries management and Aquaculture, animal health and inland fishing.

## LOANS (non-bank and non-asset finance)

### ReEnergise Smart Energy Finance

The ReEnergise Smart Energy Fund provides access to finance for renewable energy and energy efficient projects.

Finance is available for commercial energy projects of around £75,000 to £1,000,000, applicable to commercial businesses, farms and estates, schools, local authorities, communities and charities.

There is a choice of loans (for public sector organisations), leases or hire

purchase facilities according to your requirements up to 100% of equipment and installation costs with terms of up to 10 years.

### Start Up Loans

Finance for entrepreneurs who are at least 18 years old with a great idea and a passion to succeed. Applicants need to have completed a business plan and financial forecasts with the loans being aimed at start-ups or businesses trading for less than 2 years.

The average loan size is around £11,000, but loans can be up to £25,000 per person. Only one loan can be granted per person, but more than one person per company may be eligible for another loan for that same business.

### Enterprise Finance Guarantee Scheme (EFG)

EFG is a loan guarantee scheme designed to facilitate additional lending to viable SMEs lacking the security or proven track record for a commercial loan.

### Export Enterprise Finance Guarantee Scheme (ExEFG)

ExEFG facilitates the provision of short term export finance to viable SMEs which lack the security necessary to obtain such facilities commercially.

### PESCA

Loans of up to £20,000 for new and existing fishing related businesses in Devon, Dorset, Cornwall and the Isles of Scilly. Applicants must be a limited company.

Businesses need to demonstrate that they are active in the fishing industry or developing a business linked to the fishing industry.

### Growing Places Fund

The Growing Places Fund can be used to establish revolving funds to take forward a range of projects that can help facilitate economic growth. Through this, local enterprise partnerships will be able to offer secure funding to developers in their area, making it quicker for projects to get off the ground.

## Regional Growth Fund Loan

Recycled Regional Fund Monies previously lent to South West businesses, repaid and now available to be lent to growing SMEs in the region. Loans of between £10,000 and £100,000 available from SWIG services with a maximum 5 year term. Applicants should be creating or safeguarding jobs.

## Loan with Community Investment Tax Relief (CITR)

A loan fund using the Enterprise Finance Guarantee scheme (EFG) and Community Investment Tax Relief (CITR) with investment from Triodos Bank administrated by SWIG Finance. The loan fund, worth £1.5m, will support an estimated 30 SMEs in the South West that struggle to raise finance from traditional lenders. It is targeted at disadvantaged areas and communities in the region.

## Capitalise

Capitalise is a platform which is partnered with 100+ institutional lenders including high street banks, challenger banks and fintech lenders. This enables them to identify the financing options available and match appropriate lenders to businesses, whether this be for traditional or alternative finance arrangements.

## Innovate Loans

Innovate UK is to offer loans between £100,000 and £1m repayable over a maximum of 5 years. Projects should aim to develop new products, processes or services believed to be significantly ahead of anything similar in the field.

## Creative England - Digital & Creative Investments

Finance of £50k to £250k is available to creative, digital SMEs trading in English regions outside of Greater London. Businesses will need to be able to demonstrate 50/50 match funding and have the intention to grow and create new jobs.

## Sporting Capital Fund - Loans

The £3m Sporting Capital Fund provides loans of between £50k and £150k to organisations that deliver sport and physical activity. New investments are available until June 2020 and loans are typically repayable over three to five years.

## EQUITY

### Business Growth Fund

A commercial fund which looks to provide long-term equity funding to established businesses, typically with turnover of £5m+ and strong growth potential. BGF provides growth capital investments of £2-10m for a minority stake and is very flexible. Some cash-out to shareholders but no buy-outs.

### The Angel CoFund

The fund is able to make initial equity investments of between £100,000 and £1m into businesses alongside syndicates of business angels. The businesses being invested in must have potential to grow and create value through commercial activities.

### Mylor Ventures Angel Network (MyVAN)

MyVAN is a Business Angel network which operates throughout the South West connecting private investors with companies looking for investment. As members of the UKBAA, they also connect with other Angel Groups as well as often combining this with Crowdfunding.

### Regional Angels Programme

The programme is a £100m scheme designed to help reduce regional imbalances in access to early stage equity finance for smaller businesses with high growth potential. The programme seeks to increase the level of angel investment whilst generating a market rate of return.

### Enterprise Capital Funds (ECF)

ECFs are commercially focused funds that bring together private and public money to make equity investments in high growth businesses. The programme invests into funds on terms that improve the outcome for private investors when those funds are successful. More information available through the British Business Bank website.

### Crowdfunding and Peer 2 Peer

The South West is well represented in the growing area of "Crowdfunding"; with local representatives in equity, peer to peer lending and rewards based funding platforms. Examples of crowdfunding platforms available:

- Equity - Crowdcube
- Debt - Folk 2 Folk and Funding Circle
- Reward - Crowdfunder

The team has (increasingly) extensive links with various platforms and would be

pleased to discuss this further if required.

### British Business Bank

Whilst the British Business Bank does not provide funding directly to smaller businesses, it does work in conjunction with private sector partners to enable businesses to access more finance, from a greater number of providers, through a wider range of products.

### Business Support

Both Heart of South West LEP and West of England LEP have been established Growth Hubs as the first port of call for information on a range of business support services currently available to businesses in their LEP area.

## FURTHER INFORMATION

The above funds form part of the funding landscape which is best described as "fluid". For more details, updates and announcements on a number of the schemes covered on this factsheet please visit our blog or contact one of the team.

### CHRIS EDDOWES

TORQUAY

Assistant Manager

[chris.eddowes@pkf-francisclark.co.uk](mailto:chris.eddowes@pkf-francisclark.co.uk)

### CAROLINE BUTLER

EXETER

Senior

[caroline.butler@pkf-francisclark.co.uk](mailto:caroline.butler@pkf-francisclark.co.uk)

### TOM SLADE

PLYMOUTH

Assistant Manager

[tom.slade@pkf-francisclark.co.uk](mailto:tom.slade@pkf-francisclark.co.uk)

### DAVID ARMSTRONG

PLYMOUTH

Corporate Finance Director

[david.armstrong@pkf-francisclark.co.uk](mailto:david.armstrong@pkf-francisclark.co.uk)

Our blog regularly features information on potential sources of funding - <http://www.pkf-francisclark.co.uk/news-views/blog/>