

# FINANCE IN CORNWALL AND ISLES OF SCILLY

This factsheet looks to summarise our understanding of the main (non-bank, non-asset backed) sources of funding potentially available to businesses in Cornwall & Isles of Scilly (IOS) as at December 2018.

## Grant Funds

### Green Business Fund

Launched by The Carbon Trust, the grant seeks to help SMEs become more energy efficient through financial support of up to £5k for energy efficient equipment as well as support, assessments and workshops.

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

Schemes are 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 isolates calls within the South West as a whole. Each call has its own specifications including LEP area(s) covered.

### Agri-tech Cornwall, Marine I and Cornwall Space and Aerospace

Separate initiatives aimed at supporting research, development and innovation (RDI) in sector specific technologies: agricultural, marine, space and aerospace. Applicants themselves can be from any sector providing the RDI supports growth, productivity or market development in one of the three/four specified sectors, e.g. Agri-tech.

### Propel

Propel is a fully ERDF business support and grant project for the Cornish and Isle of Scilly marine industry. Objectives are to improve business skills and productivity within the marine sector. The grant scheme supports up to 35% of revenue/service with a minimum spend of £2,900.

### Community Local Led Development

Grant funding to support the economic development of Cornwall's most disadvantaged (core) areas. Projects can include training for unemployed/inactive people in 'core' areas as well as support for business growth in 'core' areas. Grants starting from £1,000.

### DS4B (Developing Skills for Business)

The Apprenticeship Development Fund is open to small and medium eligible businesses for grants of £3,000 to help them engage in the co-development of apprenticeships. In addition there is the Developing Skills for Business Voucher Scheme to cover placement costs and knowledge exchange with grants available up to £2,000. There is also non-grant funded support. Eligible businesses must have proposed activity links to an LEP or ESB priority sector.

### Isles of Scilly Voucher Scheme

The Voucher Scheme programme on the Isles of Scilly is a £1.36 million investment fund, financed by the European Regional Development Fund (ERDF). Financial support is available for businesses from a minimum of £1,000 to a maximum of £100,000. Support will require some match funding by applicants, the proportion of which will depend on your project plans and programme requirements.

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

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

### 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.

### 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.

### EPIC - Challenge fund

EPIC is a three year collaborative project between Creative England and Plymouth University to improve the use of technology in health and social care in Cornwall and the Isles of Scilly. The £600,000 Fund is open to (SMEs) operating in the CIOS region looking to engage in the digital health market. Grants of £5,000 to £100,000 are available.

### Acceleration through innovation (ATI)

ATI is a three year £3 million ERDF project which aims to support business innovation across Cornwall and Isles of Scilly. Led by the University of Plymouth in partnership with Cornwall Innovation. The ATI Innovation Fund can assist eligible SMEs with grants of between £2,500 and £10,000 for both capital and revenue costs in five areas. These areas include;

proof of market, proof of concept, prototyping, IP protection, and new product or service generation. The option of larger grants may be available up to a maximum of £25,000 in exceptional circumstances. The grant available will represent a maximum of 50% of the total eligible costs.

### Coming soon...

### Countryside Productivity Scheme

The RDPE Countryside Productivity Scheme is returning in early 2019 to provide funding for projects which improve productivity in the farming sector to help create jobs and growth in the rural economy. Administered by the Rural Payments Agency (RPA) there are grants available for improving farming productivity.

## 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.

Commercial energy projects from around £100,000 to £250,000, applicable to commercial businesses, farms and estates, schools, local authorities, communities and charities.

A choice of loan, lease or hire purchase facilities according to your requirements up to 100% of equipment and installation costs with terms of up to 10 years.

### Fresh Start Loan Fund

Loans of up to £50,000 for New Entrant and Tenant Farmers to assist with start-up and growth costs. Applicants must be a limited company.

### Start Up Loans

Finance for entrepreneurs who are at least 18 years old with a great idea and a passion to succeed. Need to have completed a business plan and financial forecasts. For start-ups or businesses trading for less than 2 years. Average loan size of around £6,000, but up to £25,000 per business owner. Businesses that have already secured a start up loan through SWIG Finance and have been trading for no more than two years, may be eligible to apply for a second loan for that same business - on the same terms as the first loan.

### 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.

### Cornwall Loans Fund

Loans up to £100,000 are available to start up and growing businesses via SWIG Services. Aimed at businesses with growth potential which have been unable to secure sufficient finance from traditional sources. EU eligibility criteria apply.

### Regional Growth Fund Loan

Recycled Regional Growth 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 CITR with investment from Triodos Bank administered 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.

### Cornwall and Isles of Scilly Investment Fund (CIOSIF)

CIOSIF is a collaboration between the British Business Bank and the Cornwall & Isles of Scilly Local Enterprise Partnership. With up to £37m to invest in or lend to SMEs they are offering loans in the £100k - £1m range. Eligible applicants must have a material presence in the CIOS or plans to establish such a presence in 2 years.

### Equity

There are a number of Venture Capital/Private Equity firms active in the South West. Each will have a focus in terms of sector and/or size of investment etc. In addition the following are potential sources of equity funding.

### Cornwall and Isles of Scilly investment Fund (CIOSIF)

The CIOSIF has equity funding of between £50,000 and £2m available for SMEs. Eligible applicants must have a material presence in the CIOS or plans to establish such a presence in 2 years. CIOSIF will only invest as part of a larger equity raise by an applicant.

### Business Growth Fund (BGF)

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 is possible but no buy-outs.

### The Angel CoFund

The fund is able to make initial equity investments of between £100,000 and £1M in to SMEs alongside syndicates of business angels, subject to certain geographical restrictions and an upper limit of 49% of any investment round.

### 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.

### 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 British Business Bank website.

### Crowdfunding

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 have (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

Cornwall and Isles of Scilly's Growth Hub has been established as the first port of call for information on a range of business support services currently available. These business support services include: 'Breakthrough' and 'Transform' (administered by Oxford Innovation and Unlocking Potential); and Superfast Business Cornwall and Export for Growth.

### 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.

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