

FINANCE IN THE SOUTH

This factsheet looks to summarise our understanding of the main (non-bank, non-asset backed) sources of funding potentially available to businesses in Dorset LEP and Swindon and Wiltshire LEP areas 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 £10k for energy efficient equipment as well as support, assessments and workshops.

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.

North Dorset Economic Growth Fund

Provides grants of up to £4,000 to fund 40% of project costs for start-up businesses.

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'.

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.

Coming soon...

Countryside Productivity Scheme

The RDPE Countryside Productivity Schemes 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).

Loans

(non-bank and non-asset finance)

Energy Efficiency Financing Scheme

Debt finance for purchase of equipment to make operations more efficient and lower energy costs. Terms to match with energy savings.

Growing Places Fund

Dorset LEP has been allocated £9.7m as a revolving loan scheme, to support major capital investment and regeneration in Dorset. Loans are expected to be £250k+, the fund can only be used for capital expenditure and normally has a maximum loan term of 10 years.

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.

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 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. Businesses need to demonstrate that they are active in the fishing industry or developing a business linked to the fishing industry. Applicants must be a limited company.

Enterprise Loans (from SWIG Finance)

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. Applicant should be creating or safeguarding jobs.

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.

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 SMEs alongside syndicates of business angels, subject to certain geographical restrictions and an upper limit of 49% of any investment round.

Angels Den

Matches growing businesses with angel investors for funding and mentoring. Has a database of experienced lead investors who can offer business advice, support and follow-on funding to help businesses to grow.

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 and Seedrs
- 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

Dorset's Growth Hub and Swindon and Wiltshire Growth Hub have been established as the first port of call for information on range of business support services currently available in the respective LEP areas.

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/>

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