

Finance in Dorset



This factsheet looks to summarise our understanding of the main (non-bank, non-hire purchase/finance lease) sources of funding potentially available to businesses in Dorset as at November 2021.

Grant funds

Small Growth Grants

Small Growth Grants are administered by Dorset Growth Hub and are for Dorset businesses with ambitions to grow. Applicants will need to demonstrate that they have traded successfully for at least 12 months and now have plans for a project that will facilitate business growth. The Small Growth Grants scheme is inviting applications for projects of a value from £4,000 upwards and successful grant applications are provided 25% of eligible project costs. The Small Growth Grant is currently open with completed applications to be submitted by Friday 3rd December 2021.

New Product Grant

Aimed at Dorset businesses looking to launch a new product (or service) and would like a grant towards the manufacture or marketing (digital or consultancy). Grants are fixed at £1000. You will need to be a business based in Dorset with a plan to launch a new product (or service). Administered by Dorset Growth Hub.

New Business Grant

For new Dorset businesses looking to grow quickly and would like a grant towards capital equipment, marketing (digital or consultancy). Grants are fixed at £1000. You will need to be a new business based in Dorset and have been registered for less than 1 year. Administered by Dorset Growth Hub.

Low Carbon Dorset

With their grant pot nearly all allocated, they would still like to hear from businesses looking for help with their low carbon projects. This way they can explore how else they can help you and keep you updated if new funds become available. Grants have been available to help organisations deliver renewable energy and energy efficiency projects. Typically, these grants have covered up to 40% of project costs depending on the type of project and organisation applying.

The Farming Equipment and Technology Fund

The Farming Equipment and Technology Fund will provide smaller grants to improve business performance. Farmers can apply for a grant to buy items from a set list of equipment, technology and small infrastructure investments. It is based on the current Countryside Productivity Small Grant scheme. Administered by Defra, applicants will be able to make an application online quickly and simply. The approval process will be straightforward, with a clear grant value assigned to each item. If an application is successful, the applicant will buy the item and then will be able to claim the reimbursement using their receipt.

The Farming Equipment and Technology Fund

The Farming Transformation Fund will support larger or more complicated investments. It is based on the Countryside Productivity Large Grant scheme which was structured around a number of themes. The kinds of things grants might be awarded for could include:

- *on-farm water storage infrastructure, including reservoirs*
- *precision agriculture equipment (for example, low emission and variable-rate nutrient or pesticide application)*
- *robotic or automated technology*
- *equipment and technology for storing, sorting, or processing products*



Innovate UK

Government 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.

Project Gigabit

The Government is providing £210m of voucher funding (up to £3,000 for businesses) to help cover the cost of installing gigabit broadband to people's doorsteps. Eligibility: Homes and businesses in rural locations where existing broadband is less than 100MBPS, a gigabit capable network isn't likely to be built commercially, or no planned Government funded contract planned to improve existing networks. Must be part of a project (two or more residents/businesses).

Help to Grow: Management and Digital

Two government-backed programmes: Management and Digital. The former includes Management Course (part funded) and get 50 hours of learning, 1:1 mentoring and access to an alumni network. If eligible the later includes a discount of up to 50% towards the costs of buying approved software, worth up to £5,000.

Dorset Growth and Resilience Fund

Administered by Dorset Council the Additional Restrictions Grant (ARG) phase 5: Dorset Growth and Resilience Fund will support growth, innovation and business resilience within your business and the local economy. Grant awards range from £5,000 to £50,000. There is limited ARG funding available. The fund is a competitive round and only the highest scoring applications will receive funding. This phase will close on 7 December 2021.

Loans (non-bank and non-asset finance)

SWIG Finance

Loans and support are available to viable Start Ups and SMEs in Cornwall. Start Up Loans are designed for businesses trading under two years, ranging from £500 up to £25,000 per applicant. Our Small Business Loans are designed for SMEs who have been trading over two years. These loans range from £25,000 up to £250,000. The funds are designed for those who are unable to secure all their requirements from traditional sources – whether due to a lack of track record, security requirements which can't be met, historic financial issues or simply not meeting conventional credit scoring methods.

South West Fund (upcoming)

In the Autumn Budget, the Government announced £200m to provide a new fund for businesses in the South West of England, building on the Cornwall and Isles of Scilly Investment Fund. Further information will be available at a later date.

Big Issue Invest

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.

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National Tooling Loan Fund - England

Supports component manufacturers and toolmakers to design, develop and manufacture tooling for their new and confirmed projects. It is a revolving fund open to eligible manufacturing businesses working in any sector, with investment available up to £2 million.

Innovate Loans

Innovate UK's pilot programme of innovation loans started in 2017 and, through seven competitions, has now committed £80 million to over 100 successful applicants. Further competitions will be delivered as a further extension to the innovation loans pilot programme during 2021. The delivery of a long-term programme will depend on the allocation of funding in a future government spending review. Innovation loans aim to provide flexible and patient capital to SMEs to support business growth through innovation.



Recovery Loan Scheme

The Recovery Loan Scheme (RLS) is available for businesses through a number of British Business Bank accredited lenders across the UK. A key aim of the Recovery Loan Scheme is to improve the terms on offer to you but if a lender can offer you the choice of a commercial loan on better terms, without requiring the guarantee provided by the RLS, they should do so. At the Autumn Budget 2021, the government announced that the Recovery Loan Scheme will be extended by six months to 30 June 2022.

FOLK2FOLK

FOLK2FOLK is a national Marketplace lending and investment company, providing access to finance for the under-served SMEs in the rural and regional parts of the UK. All loans are secured against land or property. Founded in 2013; they enable funding for almost any business purpose and have facilitated loans totalling more than £482m to date.

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.

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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.

MAINstream

MAINstream is a UKBAA registered network for business angel investors established by Michelmores to help accelerate the growth of angel investing in the South West. The network consists of experienced investors and entrepreneurs seeking opportunities to back innovative early-stage businesses.

Qantx

Qantx will be based in the South West of England and hopes to invest c. £3-5m per annum initially in high growth tech at seed/series A in initial sums of c. £250k-£750k. They hope to be ready to invest by end 2021.

Crowdcube

Crowdcube is a leading equity crowdfunding platform for entrepreneurs of start-ups and growing businesses to connect with potential investors. Dedicated to helping UK-based entrepreneurs raise finance to start or grow their business, Crowdcube gives investors real equity in the companies they fund. With over £1 billion invested with Crowdcube to date and more than 70 businesses funded in Q1 2021 alone, Crowdcube are the largest equity marketplace for private companies in Europe.

Regionally

Regionally is a new investment platform designed only for professional investors, HNW individuals, and institutions and working only with established SME companies based in the UK regions. Regionally facilitate local and national investments into professionally selected high growth businesses seeking capital in the range of £500,000 - £10,000,000+. They offer equity, debt and convertible loan deals.

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 Angel CoFund (the CoFund) is a private sector company limited by guarantee which makes equity investments alongside and on the same terms as syndicates of business angels in early-stage companies. Its focus is on high growth, innovative businesses. Initial investments are typically between £100,000 and £1 million and can be up to half of the value of a funding round, subject to the CoFund not holding more than 30% of the equity in the business post-investment.

Regional Angels Programme

The Regional Angels Programme is a £100m Programme which has been established by the UK Government to help reduce regional imbalances in access to early stage equity finance for smaller businesses across the UK. The Regional Angels Programme works by committing funds for investment alongside business angels and other early stage equity investors, acting as a catalyst to bring longer-term capital to smaller businesses with growth ambitions.

Future Fund: Breakthrough

The programme makes equity co-investments with private sector investors in growth stage R&D-intensive British companies operating in breakthrough technology sectors. The minimum total investment round size is £30m. The maximum Future Fund: Breakthrough share of an investment round is 30%.

Seedrs

Seedrs is an online crowdfunding platform partnered with UK Crowdfunding and the UK Business Angels Associations. 2020 saw 265 deals funded totaling £293m invested into campaigns with an 85% success rate. Seedrs Legals is another online equity platform, but offers additional support in the form of drafted legal agreements.

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Rewards

Crowdfunder

Together with the crowd and our extra funding partners, Crowdfunder have raised £200m for start-ups, business ideas, charities, community groups, sports clubs, political movements and so much more through crowdfunding. Their mission is to connect your projects with the supporters who care because they truly believe that people should feel empowered to turn their great ideas into reality.



Business support

British Business Bank

The British Business Bank is not a bank in a conventional sense. It does not finance businesses directly, but instead provides funds and guarantees to private sector partners, enabling them to finance a greater number of smaller businesses (either through debt or equity). It uses economic evidence to design programmes that address market failures affecting smaller businesses across the economy. It also works to improve smaller businesses' awareness of the finance options available to them.

Dorset Growth Hub, Dorset Gateway, Dorset Chamber and Dorset LEP

All of these organisations work with local business to find the right support to help them to grow. The friendly team of locally based experts can talk in detail about your business and personal goals to point you in the right direction to find the right finance or funding options as well as strategy, leadership marketing and much more.

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.

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



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