Department
for Business
Innovation & Skills

SME ACCESS TO FINANCE SCHEMES

Measures to support small and medium-sized enterprise growth

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The first point of call…

When businesses are seeking funding, making an informed choice is vital. As the Government responds to the challenges of the economic downturn, new schemes have been implemented or existing ones modified to help businesses grow. They have been designed to supplement and build on private sector provision; which is why most of the programmes are delivered through intermediaries, rather than by central government directly.

This guide is principally aimed at people who work in or with Government who have frequent contact with small firms. It summarises the main forms of public finance and advice available to businesses. It sets out who can access which schemes and where further information can be found.

There are many factors a business needs to take into account when considering its options, including its size, turnover, ability to offer shares and the amount of funding it needs to raise. The following four sources are a good place for a business to explore when considering public and private support:

1) Business Link Helpline

The Business Link Helpline also offers advice and information on financing your business. It's open Monday to Friday during normal office hours on 0845 600 9 006.

2) Business Finance and Support Finder

The Business Finance and Support Finder is a simple tool that can help you find publicly-funded sources of assistance that you may be eligible to apply for. Support may be available in a number of forms, including financial assistance and free or subsidised advice services. There may also be specific initiatives to help with starting up, managing or growing a business.

https://www.gov.uk/business-finance-support-finder

3) Business Finance for You

Business Finance for You brings into one place a wide range of finance providers across Britain - including business angels, regional funds, government schemes and banks

http://www.businessfinanceforyou.co.uk/finance-finder

4) SME Finance Guide

BIS and the ICAEW have jointly produced a free guide to SME finance which sets out the main financing options and key issues to consider when choosing between options.

http://www.icaew.com/cffsmefinance

1. Obtaining loans

Overdrafts and bank loans are the most common sources of additional finance for SMEs. The most significant advantage they have over raising equity is that neither involves relinquishing any share of ownership or control of the business.

Summary

Scheme	Type of intervention	Aim
Funding for Lending Scheme	Cheaper borrowing for banks & building societies	More or cheaper loans and mortgages (consumers and businesses)
National Loan Guarantee Scheme	Government guarantees on unsecured borrowing by banks	Cheaper business finance by reducing the cost of bank loans under the scheme by up to 1 percentage point.
Community Development Finance	Loans to a specific disadvantaged geographic area or disadvantaged group	Varies by institution. Can include loans to start-up companies, individuals and established enterprises from within that area or community who are unable to access finance from more traditional sources (for example banks).
Enterprise Finance Guarantee	Loan guarantee to SMEs	Facilitate additional lending to viable SMEs lacking the security or proven track record for a commercial loan.
Business Finance Partnership	Increase supply of capital through non-bank channels	First tranche of BFP funds will lend to mid-sized businesses, helping to diversify the channels of finance available to them
Business Finance Partnership: Small Business Tranche	Increase supply of capital through non-bank channels for small businesses.	Increase non-traditional finance such as peer-to-peer platforms, supply chain finance and mezzanine finance for businesses with a turnover below £75m.
Start-up Loans	Loans to young people (18-30) to start a small company	Open up finance to those who would not normally be able to access traditional forms of finance for a lack of track record or assets.

i) Funding for Lending Scheme (FLS)

What is it?

The Funding for Lending Scheme (FLS) allows banks and building societies to borrow at cheaper rates from the Bank of England for periods of up to four years.

How does it work?

The Scheme was formally opened 1 August 2012.The aim of FLS is to boost consumer and business confidence and support demand for finance as well as reducing the cost of credit. The FLS creates strong incentives for banks to increase lending to UK households and businesses; and should act as a driver for competition among lenders, which should benefit both consumers and businesses. Some banks may offer specific business loans and mortgages linked to the FLS, whereas others may reduce interest rates or change the terms and conditions on existing products.

Who delivers the scheme?

The FLS is jointly overseen by the Bank of England and HM Treasury and banks deliver directly to customers.

Where do I find out more?

http://www.hm-treasury.gov.uk/ukecon_fundingforlending_index.htm

ii) The National Loan Guarantee Scheme (NLGS)

What is it?

The National Loan Guarantee Scheme (NLGS) was launched on 20 March 2012 and helps businesses access cheaper finance by reducing the cost of bank loans under the scheme by up to 1 percentage point.

Changes in market conditions since the introduction of the NLGS mean that it is now less economical for banks to raise unsecured funding. In practice, this means that banks who are currently offering NLGS loans are likely to opt to deliver credit easing to the whole economy through the Funding for Lending Scheme (FLS). It is expected that banks currently offering loans through the NLGS will, over time, cease to offer NLGS branded products.

How does it work?

The NLGS uses government guarantees on unsecured borrowing by banks, enabling them to borrow at a cheaper rate. Participating banks pass on the entire benefit that they receive from the guarantees to businesses across the UK through cheaper loans.

Who delivers the scheme?

Participating banks. The banks that signed up to participate in the NLGS are Bank of Scotland, Barclays, Lloyds TSB, Lombard, Natwest, RBS, Santander, and Ulster Bank.

Who is eligible?

A business will be eligible to apply for an NLGS loan if it:

- has an annual turnover of not more than £250 million, as at the date of the business's last financial accounts or management accounts. The £250 million turnover threshold will include group turnover if applicable;
- is a UK business;
- and is not in financial difficulty.

Where do I find out more?

http://www.hm-treasury.gov.uk/nlgs.htm

iii) Community Development Finance

What are they?

Community Development Finance Institutions (CDFIs) are independent financial institutions, serving a specific disadvantaged geographic area or disadvantaged group. CDFIs provide loans (sometimes referred to as micro-finance) to start-up companies, individuals and established enterprises from within that area or community who are unable to access finance from more traditional sources i.e. banks. In addition to CITR, some CDFIs are also accredited Enterprise Finance Guarantee (EFG) lenders.

How does it work?

The Regional Growth Fund has awarded a £30 million grant to the Community Development Finance Association (CDFA), which has been matched with a further £30 million by the Co-operative Bank and Unity Trust Bank, to provide lending to small, micro and social enterprises. The funding is expected to meet some of the growing demand from small businesses for access to finance and drive investment in often fragmented communities

Government also supports the CDFI sector through the Community Investment Tax Relief (CITR) scheme. The scheme encourages investment in disadvantaged communities by giving tax relief to investors who back businesses and other enterprises in these areas by investing in accredited Community Development Finance Institutions (CDFIs). The tax relief is available to individuals and companies and is worth up to 25% of the value of the investment in the CDFI. The relief is spread over five years, starting with the year in which the investment is made.

Where do I find out more?

Community Development Finance Association's (CDFA) website: http://www.cdfa.org.uk/ and their finding finance tool http://www.findingfinance.org.uk/

Examples of CDFIs can be found here: http://www.findingfinance.org.uk/my-nearest-cdfi/

Guidance on the CITR scheme: http://www.hmrc.gov.uk/specialist/citc_guidance.htm

iv) Enterprise Finance Guarantee (EFG)

How does it work?

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. It is not a replacement for commercial products and will account for 1-2% of total lending to SMEs. The Government provides the lender with a 75% guarantee for each individual loan, subject to a cap on total claims arising from a Lender's portfolio.

Who delivers the scheme?

Accredited lenders. There are currently 46 accredited lenders, including all main UK High Street Banks, Community Development Finance Institutions (CDFIs) and invoice finance providers. All lending decisions are made by the lender.

Who can apply?

EFG is open to SMEs with an annual turnover of up to £41 million seeking loans between £1,000 and £1 million, repayable over a period of 3 months to 10 years.

Where do I find out more?

https://www.gov.uk/government/publications/enterprise-finance-guarantee

v) Business Finance Partnership (BFP)

What is it?

The BFP will aim to increase the supply of capital through non-bank channels and, in the longer term, to help to diversify the sources of finance available to businesses.

How does it work?

The BFP will invest an initial £700 million in loan funds, out of a total £1.2 billion, alongside private sector co-investors in the first tranche of investments. These funds will then lend to mid-sized businesses, helping to diversify the channels of finance available to them. In May 2012, HM Treasury have made a further Request for Proposals from fund managers for £400 million of its second tranche of investment.

When will it be up and running?

The Government has shortlisted seven fund managers to manage the first tranche of BFP investment. The Government expects to commit the first funding to loan funds in autumn 2012.

Who is eligible?

Businesses in the UK with a turnover of up to £500 million.

Who will deliver the scheme?

HM Treasury will operate the BFP, making decisions about which loan funds to invest in. However, the managers of those loan funds will then make individual lending decisions. It will focus initially upon co-investment, with private sector investors, in managed funds that lend directly to UK businesses.

Where do I find out more?

Further details have been set out at http://www.hm-treasury.gov.uk/bfp.htm

vi) Business Finance Partnership (BFP): Small Business Tranche

What is it?

The BFP aims to both increase the supply of capital through non-bank channels and, in the longer term, to help to diversify the sources of finance available to businesses.

How does it work?

The Department for Business, Innovation and Skills will invest up to £100 million of the BFP through non-traditional lending channels that lend directly to small businesses. It is expected that these channels will include mezzanine finance funds, supply chain finance schemes and peer-to-peer lenders.

When will it be up and running?

BIS launched a Request for Proposals in May 2012 which has now closed. The first investments into businesses through the selected channels will be made from autumn 2012 onwards.

Who is eligible?

The channels chosen by the scheme will invest in businesses based in the UK and with a turnover of up to £75 million.

Who will deliver the scheme?

Government's investment in the Small Business Tranche of the BFP will be managed by Capital for Enterprise Limited.

Where do I find out more?

Further details can be found at http://www.capitalforenterprise.gov.uk/bfp

vii) Start-up Loans

What is it?

The Start-up Loan programme provides support to young people to help them start up their own business. The scheme provides loans and mentoring support to applicants in England aged 18-30 who would not normally be able to access traditional forms of finance for a lack of track record or assets.

How does it work?

To apply for a loan the applicant should be at least 18 years of age (at the time of application) and can be up to 30 years of age (when applying for the loan), living in England, and interested in starting a business. The applicant can apply for a loan on the Start-up Loan website.

The average loan size will be around £2,500, however the final amount will be determined by the business plan (there is no definite limit). All credit decisions will be made by the scheme's delivery partners. The applicant will be required to pay back the loan within five years at a fixed-rate of interest – currently 6%. Capital repayment holidays are available, but interest must be covered monthly throughout.

Who delivers the scheme?

The Start-up Loans Company has been established to deliver the scheme via delivery partners.

Where do I find out more?

http://www.startuploans.co.uk/

http://www.startuploans.co.uk/faqs/

2. Obtaining investment

Equity finance enables the raising of share capital from external investors in return for handing over a share of the business. The main providers of equity finance for SMEs are venture capitalists (VCs), business angels and for start-ups, friends and family.

Summary

Scheme	Type of intervention	Aim
Seed Enterprise Investment Scheme	Range of tax reliefs	Help small, early-stage companies to raise equity finance through encouraging individual investors to purchase new shares in qualifying companies.
Enterprise Investment Scheme	Range of tax reliefs	Help small higher risk companies to raise equity finance through encouraging individual investors to purchase new shares in qualifying companies.
Venture Capital Trust Scheme	Range of tax reliefs	Help small higher risk companies raise equity finance indirectly through the acquisition of shares in a VCT.
Business Angel Co-Investment Fund	Co-investment fund	Support angel investments into high growth potential early stage SMEs, particularly in areas worst affected by public spending cuts.
Enterprise Capital Funds	Public-private venture capital fund	Address a market weakness in the provision of equity finance to SMEs by using Government funding alongside private sector investment to provide equity finance to early stage companies.
UK Innovation Investment Fund	Venture capital fund of funds	Invest in technology based businesses in strategically important sectors to the UK including digital technologies, life sciences, clean technology and advanced manufacturing.

i) Seed Enterprise Investment Scheme (SEIS)

What is it?

The Seed Enterprise Investment Scheme (SEIS) was set up in April 2012 and is designed to help small, early-stage companies to raise equity finance.

How does it work?

The SEIS offers a range of tax reliefs to encourage individual investors to purchase new shares in qualifying companies. Shares must be held for at least three years and income tax relief is available at 50% of the cost of the shares, up to a maximum annual investment of £100,000. For 2012–13 only, there is an exemption from capital gains tax where gains on the disposal of an asset are reinvested in shares qualifying for SEIS income tax relief. Any gain on disposal of SEIS shares will be exempt from capital gains tax.

The scheme will apply to individuals investing in small companies of less than 25 employees with assets of fewer than £200,000. Companies can receive a maximum of £150,000 under SEIS.

Companies can raise a maximum of £5 million in any 12-month period from the government's three venture capital schemes – SEIS, EIS and VCTs.

Who administers the scheme?

HMRC is responsible for the tax relief elements of the scheme.

Where do I find out more?

http://www.seiswindow.org.uk/

http://www.hmrc.gov.uk/seedeis/index.htm

ii) Enterprise Investment Scheme (EIS)

What is it?

The Enterprise Investment Scheme (EIS) is designed to help small higher risk trading companies raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies.

How does it work?

EIS encourages potential investors through tax incentives:

- Investors can invest up to £1 million in qualifying shares and receive 30% of the cost of the investment as a relief against income tax.

- Capital gains tax liability on disposal of an existing asset can be deferred if reinvested in EIS shares within a certain period.

- Provided income tax relief is given and the shares are held for a qualifying period, any profit on the sale of the shares will be exempt from capital gains tax.

- Providing that income tax relief has been given and has not been withdrawn, losses arising on a disposal of the shares may be set against income tax as an alternative to being relieved against capital gains tax.

The scheme will apply to individuals investing in companies of less than 250 employees with assets of fewer than £15 million.

Companies can raise a maximum of £5 million in any 12-month period from the government's three venture capital schemes – SEIS, EIS and VCTs.

Who administers the scheme?

HMRC is responsible for the tax relief elements of the scheme.

Where do I find out more?

http://www.hmrc.gov.uk/eis/index.htm

iii) Venture Capital Trust Scheme (VCT)

What is it?

The Venture Capital Trust (VCT) scheme encourages individuals to invest in small, unlisted higher-risk trading companies indirectly through the acquisition of shares in a VCT. VCTs are similar to investment trusts and must have HMRC approval.

How does it work?

VCTs invest their funds into eligible small companies. Eligible companies can receive both debt and equity investment from a VCT. VCTs encourage potential investors through tax incentives:

- The maximum investment in VCT shares by any individual in any year is £200,000, which will qualify for relief against income tax at a rate of 30% of the amount invested. Shares must be held for at least five years from the date of their issue by the VCT.

- There is an exemption for capital gains tax on disposal of shares in a VCT, and dividends on VCT shares are exempt from income tax.

At the time the VCT invests an eligible company must have less than 250 employees with assets of fewer than £15 million.

Companies can raise a maximum of £5 million in any 12-month period from the government's three venture capital schemes – SEIS, EIS and VCTs.

Who administers the scheme?

HMRC is responsible for the tax relief elements of the scheme.

Where do I find out more?

http://www.hmrc.gov.uk/guidance/vct.htm

iv) Business Angel Co-Investment Fund

What is it?

The £50 million Business Angel Co-Investment Fund aims to support angel investments into high growth potential early stage SMEs, particularly in areas worst affected by public spending cuts.

How does it work?

The fund has been created with a grant from the Regional Growth Fund and is able to make initial equity investments of between £100,000 and £1 million in to SMEs alongside syndicates of business angels (subject to geographical restrictions and upper limit of 49% of any investment round). Investment decisions will be made by the independent Investment Committee of the fund based on detailed proposals put forward by business angel syndicates.

Who delivers the scheme?

The fund has been designed and established by a consortium of private and public bodies with expertise in business angel investment. It is a private sector body with clear objectives to boost the quality and quantity of business angel investing in England, and to support long-term, high quality jobs in high growth companies.

Where do I find out more?

http://www.angelcofund.co.uk/

v) Enterprise Capital Funds (ECFs)

What are they?

For many young innovative firms equity finance is the best option to reach their high growth potential but many struggle to obtain this form of finance. This is often because the relatively high costs of undertaking due diligence in relation to the deal size mean that investors prefer to make larger investments in later stage companies. This results in the 'equity gap' for some early stage companies. Enterprise Capital Funds (ECFs) address this market weakness.

How does it work?

ECFs use government funding alongside private sector investment to bridge this gap. ECFs are managed by commercial fund managers and the Government's contribution to any single ECF is capped at £25 million or two-thirds of total fund size. They can invest up to £2 million in an SME. Twelve such funds have been launched since 2006 and more than £160 million has been invested in companies.

Who delivers the scheme?

ECFs are administered by a government-appointed fund manager Capital for Enterprise Limited ('CfEL').

Where do I find out more?

http://www.capitalforenterprise.gov.uk/portfolio

vi) UK Innovation Investment Fund (UKIIF)

What is it?

UKIIF is a venture capital fund of funds that aims to drive economic growth and create highly skilled jobs by investing in innovative businesses where there are significant growth opportunities. The underlying funds within the UKIIF fund of funds invest in technology based businesses in strategically important sectors to the UK including digital technologies, life sciences, clean technology and advanced manufacturing.

How does it work?

UKIIF operates as two funds of funds investing UK government funds with other private investors into selected underlying specialist VC funds in the UK and Europe. The Hermes Environmental Innovation Fund has a value of £130 million, consisting of £50 million UK government and £80 million of private investment and focuses on efficient use of resources and clean technologies for a low carbon economy. The European Investment Fund's UK Future Technologies Fund has a value of £200 million, consisting of £100 million UK government investment and £100 million of European Investment Bank investment, and focuses on life sciences, digital technology and advanced manufacturing sectors.

Who delivers the scheme?

UKIIF is administered by a government-appointed fund management company, Capital for Enterprise Limited ('CfEL').

Where do I find out more?

http://www.capitalforenterprise.gov.uk/portfolio

3. Help to win or guarantee a contract

i) UK Trade & Investment (UKTI)

What is it?

UK Trade & Investment (UKTI) works with UK-based businesses to ensure their success in international markets, and encourage the best overseas companies to look to the UK as their global partner of choice.

How does it work?

UKTI staff are experts in helping business grow internationally. UKTI provides expert trade advice and practical support to UK-based companies wishing to grow their business overseas. With 2,400 staff and a presence in 96 countries, UKTI can assist businesses on every step of the exporting journey. Whatever stage of development a business is at, UKTI can give businesses the support that they need to expand and prosper.

Through a range of unique services, including participation at selected trade fairs, outward missions and providing bespoke market intelligence, UKTI can help businesses crack foreign markets and get to grips quickly with overseas regulations and business practice.

Where do I find out more?

Further details on the support UKTI can provide to businesses can be found here:
http://www.ukti.gov.uk/export/howwehelp.html

UKTI has a network of market specialists based in the UK and across the globe.
Businesses can find the right contact for them here:
http://www.ukti.gov.uk/export/contactus.html

ii) UK Export Finance (UKEF)

What is it?

UK Export Finance (UKEF) is a government department dedicated to providing support to UK exporters. It does this in a number of ways but primarily by working with UK banks to provide exporters with trade finance solutions to help them win and perform on specific export contracts. It has a range of products which can provide support to exporters of any size and in 2011 expanded its range of short-term products, which are particularly aimed at SMEs.

How does it work?

UKEF can provide support to export contracts of any size and many overseas markets. It does this by:

- guaranteeing bank loans to overseas buyers to finance the purchase of goods and services from UK exporters;
- insuring UK exporters against non-payment by their overseas buyers; and
- sharing credit risks with banks in order to help exporters raise contract bonds, access working capital finance and secure confirmations of letters of credit.

A summary of UKEF's products are listed overleaf.

In the 2012 Autumn Statement the Government announced that it will establish a scheme to provide up to £1.5 billion of loans for the purchase of UK exports. The scheme will be operated by UKEF and run for three years, focussing mainly on transactions below £50 million. The scheme will act as a backstop to finance UK export transactions when there is no other suitable finance available. This will give UK firms greater confidence to bid for export contracts knowing that finance will be available.

Where do I find out more?

Further information on UKEF's schemes can be found here:
http://www.ukexportfinance.gov.uk/products-and-services

UKEF's customer service team are available to find out what help they can provide to businesses with export contracts. Customer services can be contacted on 020 7512 7887.

Businesses may also wish to speak to a regional Export Finance Advisor for more general advice on export finance matters. Their contact details can be found here:
http://www.ukexportfinance.gov.uk/cont_us/export-finance-advisors

How will it help businesses?

A summary of UKEF's products are listed below:

Product	How the product works
Buyer Credit Facility	A guarantee to a bank that makes a loan to an overseas borrower to finance the purchase of capital goods and/or services worth at least £5 million from a supplier in the UK.
Supplier Credit Financing Facility - bills and notes	A guarantee to a bank to cover payments due under bills of exchange or promissory notes purchased by the bank from a supplier in the UK, who has received them in payment for goods or services supplied to an overseas buyer.
Supplier Credit Financing Facility – loan (without bills and notes)	A guarantee to a bank for a loan to an overseas borrower to finance a contract with a supplier in the UK.
Line of Credit	A guarantee to a bank that makes a loan to an overseas borrower to finance several export contracts with different exporters.
Project Financing	A guarantee to a bank that makes a loan of at least £20 million to an overseas borrower to finance a major project where the loan will be repaid out of the revenue generated by the project.
Export Insurance Policy	Insurance to an exporter in the UK against not receiving payment under an export contract and to cover costs which are wasted because of the contract being terminated for reasons not related to the performance of the exporter or because its performance is prevented by certain political events.
Bond Insurance Policy	Insurance to exporters against the unfair calling of bonds that they are required to provide under export contracts (for example, advance payment bonds or performance bonds).
Overseas Investment Insurance	Political risk insurance for a term of up to 15 years to investors in the UK who invest in overseas enterprises.
Letter of Credit Guarantee Scheme	Guarantees to UK banks to enable them to confirm letters of credit issued by overseas banks in favour of UK exporters. The guarantee covers part of the overseas issuing bank's obligation to reimburse the UK confirming bank for payments which it makes under the letter of credit
Bond Support Scheme	Help exporters raise tender and contract bonds by sharing with banks who issue those bonds (or who arrange for them to be issued by giving counterindemnities to another bank) the risks of not being reimbursed by the exporter following a call on a bond.
Export Working Capital Scheme	Facilitate exporters' access to working capital finance for specific export contracts by sharing risks with banks on loans.
Foreign Exchange Credit Support Scheme	In connection with a specific export contact UKEF increases the UK Export Finance's guarantee under the Export Working Capital Scheme to provide additional credit capacity which will be used by banks to support forward foreign exchange hedging facilities in relation to that contract.

4. Other business advice programmes

i) GrowthAccelerator

What is it?

GrowthAccelerator is a new £200 million Government backed programme to help England's brightest businesses achieve their ambition and potential. GrowthAccelerator will help up to 26,000 SMEs over three years to overcome the barriers to growth and achieve their growth potential.

How does it work?

GrowthAccelerator is delivered by the private sector, by a consortium of some of the country's leading business growth specialists, led by Grant Thornton, and comprising Winning Pitch, Oxford Innovation, Pera and seven other key partners. GrowthAccelerator will provide business coaching tailored to addressing each business's specific needs. Proven business experts will work with business leaders to identify the barriers to growing, agree a plan for tackling them and work with them to execute that plan. This will be on issues that include

- Developing and delivering a tailored growth strategy
- Becoming investment ready and securing finance
- Commercialising innovation effectively
- Developing leadership and management capability

How will it help businesses?

As well as coaching, GrowthAccelerator, provides comprehensive support by fast tracking clients to trusted providers of business advice to help them achieve their ambitions. For example, UK Trade & Investment, incubators or professional advisers as well as relevant networks such as Angel Investors. It will also connect them with other like-minded businesses on the programme through masterclasses and an alumni community.

Who is eligible to apply?

The business needs to be registered in England with fewer than 250 employees and a turnover of less than £40 million. The entry fee reflects the size of the business:

- Micro and start-up businesses (up to 10 employees) – £600
- Small businesses (10 to 49 employees) – £1,500
- Medium-sized companies (50 to 250 employees) – £3,000

Who runs the scheme?

BIS has overall oversight of the scheme, but the scheme is run by the private sector under contract, led by Grant Thornton.

Where do I find out more?

www.growthaccelerator.com

ii) Manufacturing Advisory Service (MAS)

What is it?

MAS is a national service funded by BIS to help manufacturing businesses grow. MAS support is delivered locally by experienced advisors.

How does it work?

A MAS advisor works with businesses at a strategic level to create business and product strategies. MAS can help businesses develop a culture of innovation, generating new product ideas and market opportunities. MAS will work with businesses, and their supply chains, to reduce waste and maximise profitability.

How will it help businesses?

- Free helpdesk and research service
    - A quick query service. MAS can help businesses answer questions on a wide range of technical issues or can research a businesses problem. Businesses should call 0845 658 9600 or email advice@mymas.org
- Manufacturing review (free to SME manufacturers)
    - Manufacturing Advisors can carry out a hands-on assessment and diagnostic of businesses. The aim is to highlight areas of opportunity or action that the business can take to improve operational performance.
- Events
    - MAS provides, and highlights, training and networking events to help improve awareness and skills related to manufacturing issues and best practice. Events for businesses in each region can be found here: www.mymas.org/events.
- Subsidised consultancy support for SMEs
    - MAS can provide up to 50% of the cost of an expert to help improve a businesses. MAS is able to consider funding projects that look at virtually any aspect of business activity from products, processes and people to the supply chain and markets that they operate in.

- Signposting and referral
    - For non-manufacturing queries, such as human resources, legal or environmental issues, MAS works closely with a range of organisations to ensure manufacturers have access to a full range of business support services, MAS can help businesses find the expertise they need.

Who is eligible to apply?

The MAS services are open to any company provided they are engaged in manufacturing regardless of size. MAS services are free or subsidised for SMEs; larger companies can use MAS' resources at market rates. The company must also be based in England to access MAS support.

Who runs the scheme?

MAS is funded by BIS and delivered by a consortium consisting of Grant Thornton, the West Midlands Manufacturing Consortium, Pera and SWMAS.

Where do I find out more?

http://www.mymas.org/ or call 0845 658 9600

5. Other financial support programmes

i) Regional Growth Fund (RGF)

What is it?

The Regional Growth Fund (RGF) is a £2.6 billion fund operating across England from 2011 to 2016. It supports projects and programmes that lever private sector investment to create economic growth and sustainable employment. The first 3 rounds allocated £2.4 billion which will leverage over £13 billion of private sector investment and create or safeguard over 500,000 jobs. Round 4 is now open for applications and will allocate a further £350m. The deadline for receipt of completed applications is 12 noon on 20 March 2013.

Who is eligible to apply?

Eligibility for round 4 remains the same as in previous rounds:

- private sector organisations are eligible to bid either individually, or in partnership with other private or public sector organisations, either for a project or programme
- for the purposes of RGF, universities and charities are generally considered to be private sector
- public sector organisations can only bid as part of a programme/consortia bid and there must be a private sector lead for that bid
- organisations can be part of more than one bid; for example, a company may be submitting a bid of their own and be one part of a programme bid as well
- duplicate bids will not be accepted; each project should only have one bid associated with it
- applicants who were unsuccessful in previous rounds are eligible to bid in the new round
- applicants who were successful in previous rounds are also eligible to bid in the new round
- the project or programme must be based in England, although the company may be based elsewhere
- there is a minimum bid threshold of £1 million

There are 2 ways that small businesses or SMEs can access the Regional Growth Fund:

- applying directly to RGF round 4
- through RGF programmes

SMEs are welcome to apply to round 4 as long as their bid is over the £1 million threshold and meets RGF objectives:

- to support projects and programmes that lever private sector investment to create economic growth and sustainable employment
- to help those areas and communities which are dependent on the public sector to make the transition to sustainable private sector-led growth and prosperity

The Regional Growth Fund has already supported a number of schemes or programmes which SMEs can receive support from (either directly or indirectly). For example:

- Business Angel Co-Investment Fund (See Section 2iv)
- RBS and NatWest regional growth scheme
  - http://www.natwest.com/business/products/borrowing/government-lending-support/regional-growth-fund.ashx
- HSBC Assisted Asset Purchase Scheme
  - http://www.business.hsbc.co.uk/1/2/commercial-banking/loans-and-finance/regional-growth-fund-assisted-asset-purchase-scheme
- Solent LEP Bridging the Gap fund
  - http://www.solentlep.org.uk/regional_growth_fund/solent_lep_launches_bridging_the_gap_funding_for_smes_

Where do I find out more?

Further information and details on how to apply can be found here:
https://www.gov.uk/understanding-the-regional-growth-fund

ii) Growing Places Fund

What is it?

The Growing Places Fund will provide £500 million to enable the development of local funds to address infrastructure constraints, promoting economic growth and the delivery of jobs and houses. Types of projects could include:

- Early development of strategic link roads and access works to unlock major mixed-use developments, enabling the delivery of homes and commercial space – leading to the creation of jobs and securing private investment;
- Provision of flood storage capacity to enable development of homes, employment space and retail space; and
- Works to improve local connectivity and reduce congestion through interventions such as extending dual carriageways, enabling developments to be taken forward sustainably.

How does it work?

Businesses are invited to apply for funding to support their business plans. The Growing Places Fund is recyclable; monies are repayable and will be used to support future projects.

Who delivers the scheme?

The Growing Places Fund is managed locally by Local Enterprise Partnerships (LEPs).

Where do I find out more?

The funding criteria and application process for each LEP differs, so applicants are advised to check. Details of the amounts awarded to each LEP can be found here:

https://www.gov.uk/government/news/500m-fund-to-unlock-the-potential-for-economic-growth

Broad details of the scheme can be found here:

https://www.gov.uk/government/publications/growing-places-fund-prospectus

iii) EU funded sources of finance

What is it?

The European Union provides support to European SMEs. This is available in different forms such as grants, loans and, in some cases, guarantees. Support is available either directly or through programmes managed at national or regional level, such as the European Union's Structural Funds. SMEs can also benefit from a series of non-financial assistance measures in the form of programmes and business support services.

Where do I find out more?

Comprehensive details of EU schemes can be found here:

http://ec.europa.eu/small-business/funding-partners-public/finance/index_en.htm

An overview of the main funding opportunities available to European SMEs is available here: http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=7264

iv) JEREMIE

What is it?

JEREMIE - Joint European Resources for Micro to Medium Enterprises, is an initiative of the European Commission developed together with the European Investment Fund. It promotes the use of financial engineering instruments to improve access to finance for SMEs via Structural Funds interventions.

There are three JEREMIEs in the UK:

- The North West Fund
    - The North West Fund provides debt and equity finance from £50,000 to £2 million to small and medium sized businesses based in, or relocating to, the North West of England to start, develop and grow.
- Finance Yorkshire
    - Finance Yorkshire offers seedcorn finance, business loans and equity-linked finance from £15,000 to £2 million for businesses in or relocating to the Yorkshire and the Humber region.
- North East Finance
    - The £125 million Finance for Business programme provides debt and equity finance from £1,000 to £1.25 million to SMEs based in, or relocating to, the north east of England, with the aim of helping them to start up, develop or grow.

Where do I find out more?

Further detail on the three UK JEREMIE schemes can be found here:

http://www.thenorthwestfund.co.uk/

http://www.finance-yorkshire.com/

http://www.northeastfinance.org/

Details on the JEREMIE scheme more broadly can be found here:

http://ec.europa.eu/regional_policy/thefunds/instruments/jeremie_en.cfm

http://www.eif.org/what_we_do/jeremie/faq/What%20is%20JEREMIE.htm?lang=-en

6. Future financial support

i) Business Bank

What is it?

The Business Bank is in the process of being established. It will aim to help finance providers, including banks, to get finance to businesses. To do so, it has been allocated £1 billion of new funding. The way this funding will be deployed is currently being explored, but £300 million will be deployed through co-investment over the next two years.

How will it benefit businesses?

The bank will invest its funds in a way that encourages different finance providers and types of finance into the lending market, giving businesses greater choice and more options.

It will also bring together existing access to finance schemes, providing a single entry point for businesses.

How will it work?

The new institution will use its £1 billion of new funding to leverage in money from the private sector. It will then use this money to support financing to businesses via finance providers.

There are no plans for the bank to lend directly to businesses or have branches on the High Street. It is better value for tax-payers' money, more sustainable, and less risky to help the private sector lend to businesses than for the government to lend to them directly.

Where do I find out more?

A recent Written Ministerial Statement outlined plans in more detail and can be found here: http://www.parliament.uk/documents/commons-vote-office/December_2012/20-12-12/2-BIS-BusinessBank.pdf

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