

GRANT UPDATE



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In our Autumn Grant Update we feature two new ERDF grant schemes for Cornish SMEs, which offer support for Research & Development and Innovation within the marine sector, as well as free consultancy to help businesses utilise, generate and store energy more efficiently. In addition, we highlight phase one of an exciting new loan and equity investment fund for Midlands-based SMEs, and focus on a new funding scheme for South West charities and social enterprises.

Cornwall New Energy

Cornwall New Energy is part funded through the European Regional Development Fund (ERDF). It aims to support SMEs based in Cornwall and the Isles of Scilly to use energy more smartly, and to benefit from energy generation and storage.

The scheme is a partnership between PRP Architects, Community Works CIC, Community Infrastructure Group CIC, the Building Research Establishment, and Exeter University. The project's key objectives are to provide greater energy security in Cornwall and the Isles of Scilly, reduce operating costs to improve SMEs' overall financial performance, and enable new energy products and services to be brought to market.

The team can provide free carbon and energy-related consultancy in a number of areas, including -

- Consultancy, information and diagnostic advice to established organisations, as well as any start-ups or new businesses.
- Research collaboration opportunities with academia and researchers.
- Supporting the development of products and services that have an energy or carbon emission reduction focus.



The scheme is designed to support a broad range of sectors and groups, which include tourism & leisure, property development & construction, energy technology, start-ups entering the low carbon & environmental sectors, heavy energy users, businesses operating in the low carbon & environmental supply chain, and community groups with renewable energy projects.

For further information, contact Amanda Forman on 07471-953998 or visit www.cornwallnewenergy.com.



Marine Innovation in Cornwall

If you are a Cornish-based business either in the marine sector or have a project focused on the marine sector, then the new Marine-i programme may be able to support, and if needed fund, your Research & Development and Innovation (RD&I).

With ERDF (European Regional Development Fund) support of £6.8m, Marine-i is a £9.3m collaboration between the Universities of Exeter and Plymouth, The Cornwall College Group, Cornwall Marine Network, Cornwall Development Company, and the Offshore Renewable Energy Catapult.

The aim of the scheme is to develop marine technology research, development and innovation activities in Cornwall and the Isles of Scilly. Marine-i focuses on four interconnected themes – marine energy, marine manufacturing, maritime operations, and marine environmental technologies to stimulate and support business-led and market driven RD&I to drive productivity and the exploitation of new market opportunities.

Part of the scheme includes the Marine Challenge Fund, which is worth £3.2m and can support RD&I investment with grant funding.

The level of funding and intervention rate will depend on the type of research and development to be undertaken. For further details on the Marine-i scheme, contact info@marine-i.co.uk or visit www.marine-i.co.uk.

Businesses interested in innovation grants and R&D Tax credits should note that there is an intricate interaction between the two forms of State Aid, and are therefore advised to seek specialist professional advice before committing to an application for support.

For information on how we can assist you with grant funding and R&D Tax Credits, contact Ewan McClymont, Director Grant Services, on 03333-219000 or email, emcclymont@bishopfleming.co.uk.



Funding for Social Enterprises

Access to finance is the oil in the engine for every organisation, particularly for charities and social enterprises. Resonance is a Social Impact Investment Company that specialises in connecting capital with social enterprises. Working with a cross section of Investors, and in response to demand, Resonance are able to create and manage Impact Investment Funds, with the aim of getting capital into the hands of organisations that are focused on providing a positive social impact to their communities.

One such fund is the £5m Health & Wellbeing Challenge Fund, which aims to support voluntary, community and social enterprises (VCSE's) working in health and wellbeing in the South West (Cornwall & Isles of Scilly, Devon and Somerset). Supported by SW Academic Health Science Network and the National Growth Fund which is a partnership between the Big Lottery Fund, Big Society Capital and administered by the Access Foundation, the fund is able to provide between £50,000 and £150,000 of blended funding (debt, risk capital and grant).

The fund is suitable for existing organisations that are looking to scale up their social impact in a sustainable way. The fund aims to support 50 organisations working in the health and wellbeing sector by 2020. The investment can support a number of areas such as the purchase of assets and equipment, working capital, revenue development, efficiency improvements, and growth of products and market share. Loans are repayable over a period of up to 6 years with a 2-year interest only period followed by a 4-year interest and capital repayment period at an interest rate of circa 7.5%. Any funding offer will be subject to applicants satisfying the investment appraisal process.

If you think you could benefit from the Health & Wellbeing Challenge Fund or if you have any queries, please contact Tom Crook, the Fund Investment Analyst at tom.crook@resonance.ltd.uk or telephone 0345 004 3432. Alternatively, visit www.resonance.ltd.uk.



Midlands Engine Investment Fund

The Midlands Engine Investment Fund (MEIF) is a collaboration between the British Business Bank and 10 Local Enterprise Partnerships (LEPs) in the West Midlands and East & South East Midlands.

MEIF provides over £250m of investment to boost small and medium business (SME) growth in the Midlands made up of Debt Finance, Small Business Loans, Proof of Concept, and Equity Finance funds. It is supported by the European Regional Development Fund (ERDF), the European Investment Bank, the Department for Business, Energy & Industrial Strategy, and British Business Finance Limited, a British Business Bank group company.

The funds in which MEIF invests are open to SME businesses with material operations, or planning to open material operations, in the West Midlands and East & South East Midlands. £120m of debt funding has been launched in August 2017, with more equity funding to follow.

£30m has been allocated to a Small Business Loans Fund, providing loans of between £25,000 to £150,000 in order to cover gaps in working capital, fund expansion projects, lease commercial premises and acquire new assets. In the West Midlands, the Small Business Loans Fund is managed by BCRS Business Loans Limited.

£90m has been allocated to a Debt Finance Fund, providing loans from £100,000 to £1.5 million to business with growth potential. As an example, loans could be used to hire a new team, improve working capital, purchase new machinery, start exporting or move to larger commercial premises. In the West Midlands the Debt Finance Fund is managed by Maven Capital Partners UK LLP.

For further details of the Midlands Engine Investment fund and links to each of the loan funds, visit <http://meif.co.uk/>.

Top Tips to Maximise Grant Success

If you've ever applied for grant funding you may have found the experience somewhat daunting. Here are six top tips that might make the process run more smoothly next time you are looking at this type of funding.

1. Are you eligible? Not all business sectors are eligible for funding so an early dialogue with the fund provider is therefore recommended. Equally important, avoid trying to engineer your project to fit the grant criteria as this may divert you from where your business ought to be heading.

2. Can you demonstrate a 'need' for funding? If the project will go ahead anyway then your case for grant is seriously weakened. Some examples of 'need' could be a cashflow shortfall, funding gap or payback policy. It could also be to reduce risk, or with property projects, to address a discrepancy between market value and build cost. The maximum intervention rate is normally 50% so you will need to demonstrate that you can match fund the grant either from reserves, cashflow or loan.

3. What will the impact be on competition? Generally speaking, if you sell to or service a mainly local client base you will struggle to attract grant funding. This is due to EU 'displacement' rules that don't allow your local competition to be disadvantaged by you receiving a grant.

4. Has the project already started? Grants are very rarely retrospective – in other words, if you have already started to incur costs then you cannot claim funding against them and indeed, the overall project may be deemed ineligible as it would be viewed as proceeding anyway.

5. What will you deliver in return? To attract grant funding you normally have to deliver outputs that provide economic benefit to the region. These are usually – protecting existing jobs, creating new jobs, up-skilling staff, increasing productivity and improving profitability. There is also increasing emphasis on the environmental impact, social diversity and introduction of innovative products and processes.

6. First impressions count. Getting your house in order with up-to-date management information, market and customer data, costs and project benefits – this will significantly enhance your credibility. The overall application usually requires a business plan and credible financial forecasts – a succinct account of your business, market, customers, competitors, products, project summary and rationale, and benefits as a result of your investment.

If in doubt, seek professional advice. Bishop Fleming offer a free initial grant consultation and funding search. Contact Ewan McClymont, Director Grant Services – 03333-219000 or email emcclymont@bishopfleming.co.uk.

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Grant Services

Specialist grant funding advice for businesses in the South West and Midlands.

Whether you are seeking advice on the grants currently available, or require an experienced professional to advise you through the grant application process, Bishop Fleming can provide the help you need.

Our specialist Grants Service is a well established part of the firm's corporate finance discipline. We're highly experienced in helping businesses to find and secure grant funding. We can tell you which schemes are available, whether you meet the qualifying criteria, as well as assist with the application process.

The sources and availability of grants change frequently. We therefore maintain our own grants database which currently details more than 100 schemes. Through our 'grant matching' service, we can easily refer to the database to check whether your business might qualify for a grant.

Our track record speaks for itself – we've helped secure over £20m of grant funding for projects in sectors such as:

- Renewable energy
- Environmental technology
- Oil and gas drilling
- Marine
- Advanced engineering
- Manufacturing
- Creative media
- Construction
- Medical
- Tourism
- Brewing and food processing

Grants secured have related to capital investment, recruitment and training, consultancy, mentoring and marketing.

For more information, please contact our Director of Grant Services

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bishopfleming.co.uk/service/grant-services