

Assistance For Businesses Within The Yorkshire Region - April 2012

Business Coaching for Growth

This new scheme is due to be launched in April 2012 and is designed to assist high-growth businesses to achieve their full potential:

- Heavily subsidised national flagship business support initiative.
- Available to start-up and established SME's.
- Involves customised coaching, to overcome the barriers to high growth.
- Specialist investor readiness coaching to help access funding.
- Fast-track access to business and knowledge networks, including help to commercialise IP.

Leadership & Management Fund

- Available for training & development - can be used for 'training' on strategic planning, funding, managing conflict, general help & advice etc.
- For existing businesses with 'growth' features eg increase in turnover of >20% for each of next three years.
- New businesses expected to reach a turnover of £500,000 or more in three year's time.
- 50% of the cost covered up to a maximum of £1,000.

SCY Business Mentoring

- Available for businesses in North and West Yorkshire and the East Riding.
- Fully funded mentoring service to support high growth, knowledge-based businesses.
- Covers:- funding; planning; process improvement; operations; sales & marketing and HR
- Provided in conjunction with Science City York.
- Three levels of assistance:- 16, 40, or 80 hours.
- Eligible sectors: construction; creative & digital; advanced engineering; food & drink; chemicals; environmental; healthcare and financial & business services.

R&D Grants (SMART)

The Technology Strategy Board offer funding to SME's to engage in R&D projects in the areas of science, engineering and technology, from which successful new products, processes and services could emerge. Available to pre start-ups, start-ups from all sectors.

There are three types of grant:

1. Proof of Market

Max grant £25k - up to 60% of total project costs

2. Proof of Concept

Max grant £100k - up to 60% of total project costs

3. Development of Prototype

Max grant £250k - up to 45% for Small and 35% for Medium sized businesses

Grants for manufacturing

Manufacturing businesses can now apply for grant funding of up to 50% towards the costs of consultancy to improve their operational competitiveness. Examples of eligible areas for grant support are:

- **Operational improvements** - such as the adoption of "lean" techniques, improvements to layout or space utilisation, quality & delivery improvements, improvement of resource efficiency, lowering your carbon costs.

- **Strategy** - including the core business strategy, the manufacturing strategy, identification of new sales channels, use of E-Commerce, identifying & acquiring additional UK businesses
- **Innovation & Design** - Design for manufacture & assembly, material & product innovation, product idea generation, IP searching & IP strategy, rapid prototyping, UK tooling costs.
- **Supply Chain** - working to improve your supply chain.
- **IT & Finance** - adoption of systems that improve management information & controls, developing "real-time" data on manufacturing costs.
- **Training** - in company training on advanced manufacturing processes or technology, leadership training & company skills development for ICT - eg CAD training

Rural Enterprise Investment Programme (REIP)

Available for Micro Business creation and development (*where a micro business is <10 employees*)

- Min - £25K & Max - £300K
- Up to 50%
- More complicated to apply for – administered by Yorkshire Forward
- Spending can be spread over 3 years
- 4/6 months lead in time for approval
- Can be used for a number of purposes, including Capital Expenditure & Asset purchase

Proposals (which need to be very comprehensive) must demonstrate one or more of the following key attributes:

- Promote innovation
- Be located within a 'rural' postcode
- Demonstrate good / high growth potential
- Promote collaborative actions between businesses and through supply chains
- Deliver multiplier effects, such as wider public 'goods' and benefits
- Provide high quality employment opportunities
- Develop a skilled and adaptable rural workforce

Renewable Energy via CO2 Sense Funding

- 1) Aimed at environmental projects only.
- 2) Investments are made as follows:
 - **Projects that develop woodfuel supply chain and support the uptake of woodfuel technology and installations** – investment of between £15k and £100k
 - **Projects that help to grow the region's renewable electricity capacity** – investments over £50k for capital projects and under £10k for revenue projects.
 - **Projects that help to grow environmental technology businesses**
 - **Projects that pilot new approaches to reducing carbon** – Investment of up to £60k for capital and £25k for revenue projects.
- 3) Funding given by way of 'Loans' made on a revenue share basis where repayment of the funding is as a percentage of the likely or known revenue stream. (Eg. FITs or ROCs)
- 4) Generally invested for purchase of capital items, however this is on a case-by-case basis.
- 5) NO FIXED REVENUE SHARE MODEL, with flexibility around the core approach. Agreements do however include a 'windfall clause' giving CO2 Sense the potential to earn additional income in the event of extraordinary success.
- 6) Aimed at early stage, high risk projects where bank funding unavailable. CO2 Sense aim to be the lender of last resort.

Carbon Trust

1. Low Carbon Building Design Advice Service (UK)

This service includes a detailed printed guide and face-to-face consultancy. The amount of consultancy time you receive depends on the project size and the potential carbon savings. Design Advice helps to identify the carbon savings in new and renovation projects, offering free or subsidised consultancy advice to help throughout the project stages.

Although the consultancy services are often free, they do expect a level of commitment in return, in the form of producing case studies and recording the actual measures you choose to implement. Direct funding is not available, but the scheme will help businesses and organisations save money through increased energy efficiency.

2. Green Equipment Funding Scheme

This is a finance scheme for green equipment from Carbon Trust and Siemens to enable UK organisations to invest in cost effective energy efficiency equipment and other low carbon technologies (eg new efficient lighting, biomass heating etc).

Schemes should enable the financing to pay for itself through energy savings and result in no net cost to the business.

Green Investment Bank – due to be launched March 2012:

<http://www.bis.gov.uk/greeninvestmentbank>

International Trade Assistance, via UK Trade & Investment

UKTI offer a number of subsidised international trade services for importers and exporters, including the following...

- Passport to Export Scheme: subsidised assistance for the less experienced exporters
- Gateway to Global Growth: for experienced exporters
- Overseas Market Introduction Service: subsidised assistance via overseas embassies & consulates
- Trade Show Access Programme: support for trade shows & relevant events
- Export Communications Review
- Other free and subsidised services, support & events

Training & Development

The cost of employee training can be fully or partially covered (depending upon employee age and other circumstances) under initiatives provided by the Skills Funding Agency/BIS:

<http://skillsfundingagency.bis.gov.uk/>

University Assistance

Knowledge Transfer Partnership Scheme

This scheme is subsidised by the Technology Strategies Board to the extent of 60% of the total project cost. The university employs a post-graduate for the company and oversee a project of 1-3 years for around £20Kpa cost to the business.

Some universities (eg Leeds Met) offer a 'mini KTP' programme whereby companies can have a post-grad working in their business for a period of a few months for a cost of around £5K to deliver a specific programme or project. This is heavily subsidised by the university.

Part-funded Collaborations

There are individual schemes, which are funded by the EU, which involve part-fund collaborations between companies, universities and European commercial partners, or training courses run by universities for business.

Individual universities may have their own programmes, for example, Leeds offer space for events and meetings at a heavily discounted rate, and a 'mini KTP' programme whereby companies can have a post-grad working in their business for a period of a few months for a cost of around £5,000 to deliver a specific programme or project. This is heavily subsidised by the university.

Leeds City Growth Grant

- Grant limited to 20% of capital costs subject to a max grant of £10k and min of £1k.
- May be used for capital equipment, machinery and tools, alterations to land/buildings to meet the needs of business or security measures.
- Must be based in commercial premises in a Leeds postcode, pay rates to Leeds and be established for 6 months or more.
- Eligible sectors: manufacturing (or man. services), construction, wholesale, creative or B2B.
- Linked to employment creation.

Finance Yorkshire

This organisation provides loans, seedcorn & equity funding for SME's unable to raise funds from traditional sources. They are a commercial fund targeted to provide a return to its investors and is looking to support businesses and proposals that are considered to be commercially viable.

Eligible Businesses:

- The business needs to be located within the Yorkshire & Humber area, or re-locating into the area.
- An early stage or growing business.
- Needs to be revenue generating.
- Manufacturing or service businesses (some restrictions apply)

Loan Terms:

- Amounts - Early stage (trading <3 yrs): £15K to £50K; Established: £15K to £75K; Established & Profitable: £15k to £150k
- No early repayment penalties
- Monthly repayments (there are no cap rep hols with FY loans)
- Interest rate (gross) - 12% fixed
- Interest rebates (discretionary) - Early stage: 2%; Established: 4%; Established & Profitable: 6%

Enterprise Finance Guarantee Scheme

Whilst not specific to the Yorkshire region, this government scheme has been introduced to encourage banks to lend to SME's by providing the lender with a 75% government-backed guarantee for eligible loans/overdrafts up to £1M.

For eligibility see: <http://www.bis.gov.uk/policies/enterprise-and-business-support/access-to-finance/enterprise-finance-guarantee>



National Loan Guarantee Scheme

This is a scheme to provide cheaper loans to small businesses not provide a guarantee of part of the loan like the EFG scheme (see above). As such, businesses will remain subject to the banks' usual lending criteria

Businesses with an annual turnover of up to £50M that take out an unsecured loan under this new scheme will receive a discount of 1% on the interest rate that they would otherwise receive from participating banks.

*For further information or guidance on any of the schemes summarised on this fact sheet,
please contact us on 01423 325319*

www.red-sky.co.uk

Yorkshire Business Funding: http://www.linkedin.com/groups/Yorkshire-Business-Funding-3946754?trk=myg_ugrp_ovr

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