

## **Norman Price**

# **Chair of the Regional Finance Forum**

# Regional Finance Forum

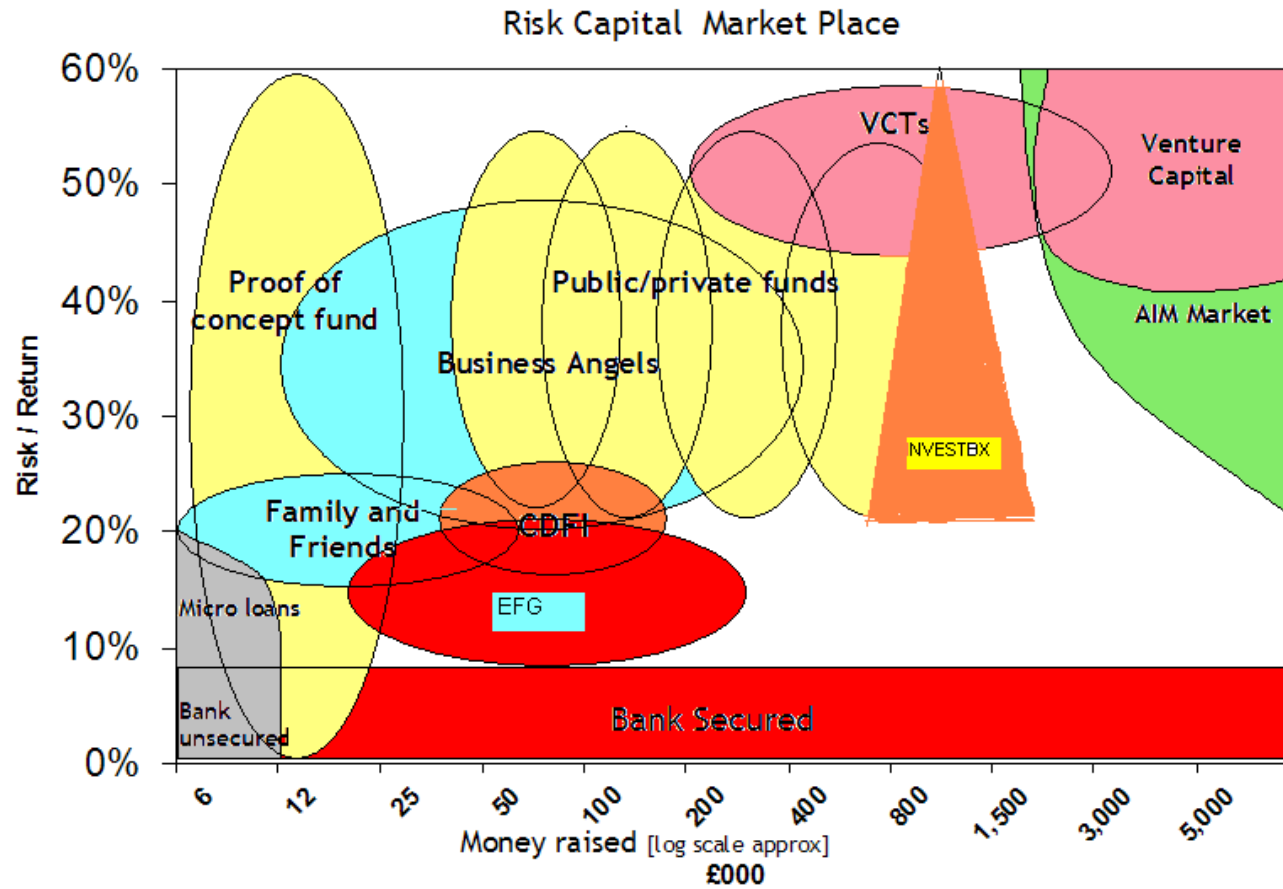
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## Vision

***“To ensure that innovation, entrepreneurship and business growth are not adversely affected due to a viable business being unable to access appropriate finance”***

Advising Advantage West Midlands on issues relating to improving access to finance for businesses – identifying gaps in provision and looking at best ways of addressing these.

# Market failure and finance gaps



# Addressing market gaps in the supply of finance

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- **Grants** – Proof of Concept, R&D, Business Investment, Rural,
- **Loans** – Enterprise Finance Guarantee, Princes Trust, the Arrow Fund, CDFIs – Fair Finance Transition/Mezzanine, Carbon Trust
- **Equity** – Business angels, regional and national venture capital funds, Investbx
- **Other** – Tax credits, Vouchers etc, HMRC Business Payment Support Scheme

# Grants, vouchers and tax credits

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- For innovation:
  - **Innovation Networks**
  - **Index voucher scheme**
  - **Proof of Concept Grant**
  - **Grant for Research and Development**
- For capital investment
  - **Grant for Business Investment**
- For rural businesses
  - **Rural Development Programme for England**

# Public sector backed loan finance

- **Community Development Finance Institutions – CDFI's/Arrow Fund**
  - Loans of up to £50,000 for viable businesses which can secure all the finance they need from mainstream sources
  - 300+ loans totalling over £5m in 08/09 – [www.fair-finance.net](http://www.fair-finance.net)
- **Advantage Transition Bridge Fund** – loans of £50k to £250k
  - Offered £10.1 million to 60 businesses since re-launch in Nov 08.
- **Prince's Trust** - loans for young people starting up new businesses.
  - 465 loans totalling £1.3m in 08/09. [www.princes-trust.org.uk](http://www.princes-trust.org.uk)

# Public sector backed equity based finance

- **Regional Venture Capital Funds –**

Source	Range	Status
<b>Mercia Technology Seed Fund</b> ( <a href="http://www.merciafund.co.uk">www.merciafund.co.uk</a> )	£50k - £750k	still investing
<b>Advantage Enterprise and Innovation Fund</b> ( <a href="http://www.catapult-vm.co.uk">www.catapult-vm.co.uk</a> )	£500k - £2 million	– still investing
<b>Advantage Early Growth Fund</b> ( <a href="http://www.aegf.co.uk">www.aegf.co.uk</a> )	£20k - £100k	fully invested
<b>Advantage Growth Fund</b> operated by Midven ( <a href="http://www.midven.com">www.midven.com</a> )	£20k - £250k	closed for <b>new</b> investments
<b>Advantage Creative Fund</b> ( <a href="http://www.advantagecreativefund.com">www.advantagecreativefund.com</a> )	£25k - £250k	currently fully invested

These have provided almost £55 million to 226 businesses and levered in a further £143m.

- **Business Angel networks**

- Advantage Business Angels,
- Beer and Partners, Beer and Young,
- Central England Business Angels,
- Minerva Business Angels

- **Investbx** – [www.investbx.com](http://www.investbx.com)

[www.advantagewm.co.uk/what-we-do/helping-business/finance-for-business.aspx](http://www.advantagewm.co.uk/what-we-do/helping-business/finance-for-business.aspx)

# Public sector backed – national

- **Enterprise Finance Guarantee** – via Banks and other institutions.
  - Up to 23 September 2009 5,376 businesses had been offered loans totalling £549.19m
- **National Venture Capital Funds** - [www.capitalforenterprise.gov.uk](http://www.capitalforenterprise.gov.uk)
  - **Enterprise Capital Funds** - Finance up to £2 million, operated nationally – 8 currently investing
  - **Capital for Enterprise Fund(s)** – Maven and Octopus - £250k - £2 million
  - **Aspire Fund**
  - **UK Innovation Investment Fund** - coming soon - Fund of funds
- **Research & Development Tax Credit**
- **HMRC's Business Payment Support Service**
- **Carbon Trust** – Interest-free loans for new energy efficient equipment



# Sources of information, advice and support

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- General business advice, information, healthchecks and support, including the “Access to Finance” programme available through:

**Business Link West Midlands:**

**0845 113 1234 or [www.businesslinkwm.co.uk](http://www.businesslinkwm.co.uk)**

- Search engine for sources of finance (public and private):

**[www.westmidlandsfinance.com](http://www.westmidlandsfinance.com)**

- Specific information of real help for individuals and businesses facing problems with the economic downturn

**[www.supportwm.co.uk](http://www.supportwm.co.uk)**