Innovation, Creativity & Enterprise

Finance for SMEs

The government has a range of loan options available for Small to Medium Businesses. These include:

**Funding for Lending**
http://www.hm-treasury.gov.uk/ukecon_fundingforlending_index.htm

Scheme to incentivise banks to increase lending to UK households 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.

**The National Loan Guarantee Scheme (NLGS)**
http://www.hm-treasury.gov.uk/nlgs.htm

Scheme designed to reduce the cost of bank loans to businesses by up to 1 percentage point.

**Enterprise Finance Guarantee (EFG)**
www.bis.gov.uk/policies/enterprise-and-business-support/access-to-finance/enterprise-finance-guarantee

Loan guarantee scheme for SMEs lacking the security or proven track record for a commercial loan. Accessed through 46 providers including all main UK High Street Banks.

**Business Finance Partnership (BFP) and BFP Small Business Tranche**
http://www.hm-treasury.gov.uk/bfp.htm

The BFP will invest an initial £700mn 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 small and mid-sized businesses, helping to diversify the channels of finance available to them. 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.

**Start Up Loans**
http://www.startupbritain.org/loans/

Provides loans and mentoring to young people (18 to 24) for small companies, for those who would not normally be able to access traditional loans due to a lack of track record or assets.

**Enterprise Capital Funds (ECFs)**
www.bis.gov.uk/policies/enterprise-and-business-support/access-to-finance/enterprise-capital-funds

Provides support for equity finance for early stage companies by using government funding alongside private sector investment.
UK Innovation Investment Fund (UKIIF)
http://www.bis.gov.uk/Policies/innovation/business-support/ukiif/about

UKIIF fund invest in technology based businesses in sectors including digital technologies, life sciences, clean technology and advanced manufacturing.

Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS)

Provides income tax relief of 30% for individuals who invest in shares in SME companies, or 50% income tax relief for individuals who invest in shares in seed companies of less than 25 employees.

Business Angel Co-Investment Fund
http://www.angelcofund.co.uk/

Supports angel investments into high growth potential early stage SMEs, with a grant from the Regional Growth Fund. This makes initial equity investments of between £100K and £1M in to SMEs alongside syndicates of business angels.

Community Development Finance (CDFI)
http://www.findingfinance.org.uk/

Independent financial institutions, provide loans to businesses within a specific disadvantaged geographic area or disadvantaged group. Finance for those who are unable to access traditional sources.

UK Export Finance (UKEF)
www.ukexportfinance.gov.uk

Provides support to UK exporters through trade finance solutions for specific export contracts.

GrowthAccelerator
www.growthaccelerator.com

Private sector consortium of leading business growth specialists provides reduced-rate tailored business coaching for SMEs. To include: growth strategy; securing finance; commercialising innovation; developing leadership and management capability.

Disclaimer: The information contained in this document has been collated by the University of Kent from the sources listed and are not the property of the University of Kent. The University of Kent accepts no responsibility for any use which may be made of the information contained in this document, nor for any reliance which may be placed on the information, nor for advice or information given in connection with this document.