

Marches LEP Access to Finance Strategy

The main objective of the Access to Finance Strategy is to promote the availability of external finance to local businesses seeking to grow thereby adding value to the local economy.

To achieve this, the LEP Board have agreed to move forward with the following: -

Action 1 - Establish an Access to Finance Group

- To act as a consultative group who will provide a business voice in response to government consultations (policy development/new products/programme development)
- To raise awareness of finance initiatives to support economic growth and scale-up
- Develop specific events and free practical forum clinics to support businesses in presenting their cases to banks/alternative finance schemes
- To build capacity and capability within the MGH teams to support effective business engagement and appropriate signposting and referrals.
- **Appendix A** provides outline Terms of Reference for this group.

Action 2 - Implement the Access to Finance Strategy Delivery Plan

The plan in **Appendix B** outlines some of the existing MGH activities and considers activities identified by the Access to Finance Strategy. The following elements can progress within the current LEP team resource and budget: -

- To raise awareness of finance initiatives to support economic growth and scale-up
- To build capacity and capability within the MGH teams to support effective business engagement and appropriate signposting and referrals.

Action 3 - Further Research into establishing a local Business Angels Network and Co-Investment Fund

- It is proposed that the Access to Finance Group carries out research into establishing a local Business Angels Network and Co-Investment Fund. This has been identified as a potential gap in the current provision.
- Initial review has identified that there are 41 Business Angel Networks that operate nationally and only one of which operates in the West Midlands area. This does not include the Regional Angels Programme which was launched by the British Business Bank on 1st October 2018. The programme is designed to help reduce regional imbalances in access to early stage equity finance for smaller businesses across the UK. It aims to address this issue by increasing the availability, supply and awareness of angel and other early-stage equity investments across the country, particularly in areas where this type of finance is less readily available.

- Minerva operate Business Angel Networks and Midven offer Equity Investment funds in the West Midlands. The benefit of having a local Angel Network and Co Investment from the British Business Banks Regional Angels Programme is primarily to act as an incentive to accelerate growth to local companies looking to expand.
- Further research work will establish the real need and demand for a local Business Angels Network and Co-Investment Fund and identify potential funding resources to develop further.

Appendix A - Terms of Reference for Marches LEP Access to Finance Group

Aims & Objectives

The aim of the group is to:

- To provide strategic advice to the MLEP Board on all issues relating to Access to Finance
- Work collaboratively with Banks and Financial institutions to see what practical advice can be taken to support the work of the LEP and MGH in line with the Strategic Economic Plan [SEP] and Local Industrial Strategy [LIS]

The objectives of the group are to:

- To support the MLEP and MGH with understanding what finance is available to businesses to support business growth
- Drive implementation of the Access to Finance Strategy Delivery Plan to include:
 - Enhancing the strength and growth of the local economy through the provision of impartial advice to the MLEP and MGH
 - Providing clear hints, tips and advice to business advisers, intermediaries and businesses when applying for grants and additional financial support
 - Developing specific events and practical forum clinics to support businesses in presenting their cases to help access finance
 - Engaging with other business groups to share ideas, and to widen the reach of all represented efforts
 - Developing, championing and reviewing Access to Finance support available to SME businesses across all sectors – primary LEP target sectors but also up-and-coming and underrepresented sectors
 - Reviewing the LEP and MGH website to provide updates as needed and supporting case studies to be added as appropriate to reflect current best practice
 - Reporting on issues affecting SMEs in the region to the LEP Board and inputting to policy and strategy development
 - Being aware of the delivery and effectiveness of Local, Regional & National Government resources focussed on Business Support and funding initiatives
 - Identify gaps in finance provision and support the research into establishing a local Business Angels Network and Co-Investment Fund.

Appendix B – Access to Strategy Delivery Plan

Objective	Action	Responsibilities	Key Tasks	Timescale	Budget
Improved MGH understanding of alternative finance	Basic 'Alternative Finance' training Workshop	LEP/British Business Bank (BBB) through Growth Hub 8 (GH8) meeting activity	Exercise with growth hubs to understand gaps in knowledge	To be discussed and agreed with BBB	There should be no cost involved other than Growth Hub time
To support MGH business diagnostic discussions with SME's, signposting and referrals	Production of plain English MGH Advisor Guide (BBB finance finder tool an option)	LEP/BBB through GH8 meeting activity	Exercise with growth hubs to understand support required	To be discussed and agreed with BBB	
Improve quality of and increase signposting/referrals to alternative finance schemes	Introduction/linking of MGH to local, regional and national alternative finance leads	LEP/PK/BBB/Growth Hubs	Exercise to understand growth hub current contacts list and help identify and fill gaps	To be agreed with PK and BBB	There should be no cost involved other than growth hub time
Messaging to increase access to alternative finance awareness (target both SME's and advisors)	Include in MGH £10m Growth Challenge Campaign Continue to promote MEIF investment case studies for both Marches and WM area	LEP/PK/Be Bold Be Bold	Follow/link with alternative finance via social media Continue to align MGH/LEP comms with British Business Bank to help promote MEIF	On-going	Part of MGH £10m Growth Challenge Campaign
MGH A2F Events Programme	On-going MGH Campaign meeting Agenda item	LEP/Growth Hubs/Be Bold	Promotion/delivery of planned events: - MGH Shropshire - Summer Funding Summit MGH Hereford – Business Growth & Exporting Event MGH Growth Hub - Telford & Wrekin	July 2019 Q4 November 2019 & early 2020	Within existing 2019/20 Growth Hub funding budget
Joint LEP A2F Events Programme	LEP Partnership Working. (Marches SME's to access Black Country (BC) events and vice versa)	Black Country LEP/MGH Telford, MGH Shropshire/Be Bold	Managing your cashflow (BC) Funding for high growth businesses (BC) Finance for social enterprises (BC) Marches event TBC (Telford)	September 2019 October 2019 November 2019	Within existing 2019/20 Growth Hub funding budget Be Bold time to help promote events

			<p>Innovation funding (BC)</p> <p>Capital allowances (BC)</p> <p>Marches Event TBC (Telford)</p> <p>Venture Capital (BC)</p>	<p>November/December 2019</p> <p>January 2019</p> <p>January 2019</p> <p>February 2019</p>	
UpToDate and easily accessible LEP/MGH website information	Review and update Access to Finance drop down menu information (MGH) and Access to Finance page (LEP)	PK/LEP/BE Bold	<p>BBB Finance Hub portal: -</p> <p>Include 'everything you need to know about alternative finance'</p> <p>https://www.british-business-bank.co.uk/finance-hub/?dm_i=45HG%2CD845%2CEPZ37%2C1H67U%2C1/</p> <p>Helps businesses identify suitable finance options (in six steps) through the finance finder and there is access to guides they have created with partners</p>	To be discussed and agreed with Source & Be Bold. Guidance from BBB.	Within existing website maintenance contract. Be Bold time required to update the LEP and MGH website with new material.