



Kent and Medway Business Fund

Prospectus for growth funding loan scheme
Autumn 2021



Introduction

The launch of the 2021 Kent and Medway Business Fund (KMBF) is designed to help and support business growth across the county as the economy emerges from the challenges as a result of the pandemic.

To date, more than 350 businesses have benefitted from the Kent and Medway Business Fund. Successful companies supported by the KMBF reflect the range and diversity of businesses located across Kent and Medway, contributing to the success of the county's economy.

Ten years ago the UK was emerging from the effects of a global financial crisis as a result of the world

banking crisis. This coincided with the shock announcement that Pfizer intended to withdraw from its operations in Sandwich resulting in thousands of jobs being lost, particularly in East Kent.

This led to a successful submission by Kent County Council (KCC) working with central government for national RGF funding. As a consequence, the Government initially made available for East Kent some £35m, followed by a further £14.5m (TIGER) and £5.5m (Escalate) to support business and employment growth.

The Kent and Medway Business Fund was established inviting businesses to apply for low-cost loans repayable over five years and/or equity investments. Successful applicants needed to have evidence

through robust business case plans, to create and protect jobs and grow their businesses. Substantial repayments have now been received and we are now able to launch from recycled funds a further £8m for this autumn.

We are inviting new applications from Kent and Medway businesses, who are able to satisfy our strict lending criteria. These may come from a broad range of sectors but demonstrate strong and effective foundations and plans for growth and innovation. Applications are invited for loans from £100,000 to £500,000.

To help prospective applicants to better understand our requirements, we have produced this KMBF Prospectus 2021 which sets out our loan criteria and includes



case studies from businesses who have successfully applied for KMBF loan funding in the past. In these case studies, businesses share their experience explaining how the support from Kent County Council has enabled them to thrive and grow.

Applicants need to understand that the process is rigorous in order that we can use public funds in the most effective way to benefit Kent and Medway's economy, and ensure we continue to build the county's success and enable us to recycle funds in the future.

Further funding rounds will follow for new business start-ups early in 2022.

**Sir Paul
Carter CBE,**

Chairman KMBF
Investment Advisory Board



£85 million

The amount of funding allocated over the last 10 years for business investment across Kent and Medway (2012 to 2021).

4,927

The number of jobs created or protected with KMBF support since 2012.

£8 million

The amount of KMBF funding available for the latest round of KMBF applications thanks to recycled loan payments.

The Process

We will be launching and inviting applications with effect from 29 October 2021 for the next round of the Kent and Medway Business Fund for small and medium size enterprises.

When considering an application, we will need to see the following:

Lending criteria

- › A good demonstrable track record
- › Strong plans for growth
- › Increased productivity
- › Creation and protection of jobs in Kent and Medway
- › A robust, ambitious and realistic business plan
- › Strong leadership and management
- › Evidence of your pledge to reduce your net carbon footprint to zero
- › Your contribution to the Kent and Medway economy, such as support through your Kent-based supply chain
- › A Statutory Credit Report for each of the directors of the business from a recognised Credit Agency
- › Ability to provide security and/or personal guarantees to the value of the loan provided

Applications from the following priority sectors are encouraged:

- › Manufacturing
- › Pharmaceuticals and life sciences
- › Green technology
- › Digital, media, creative and cultural industries and tourism
- › Food technology manufacturing
- › Logistics and construction

This does not preclude other sectors from applying



This round of KMBF funding will only be open whilst funds are available. If the number of pre-applications exceeds the estimated amount of funds available to cover your proposal, you will be informed that your application has been put on hold.

For more detailed information on the application process contact: kmbf@kent.gov.uk



STAGE 1

Submission of an online Pre-Application
Pre-Applications open: **29 October 2021**

→ We advise you why we are not progressing your Pre-Application

STAGE 2

Invitation to submit Full Application

Full Application and supporting documents to be reviewed by the submission deadline date provided in your invitation to submit letter

STAGE 3

Internal document check by KCC of Full Application

→ We advise you why we are not progressing your Full Application

Your Full Application is passed to our External Appraisers

STAGE 4

Applications are considered by the Kent and Medway Investment Advisory Board (KMIAB)

→ If you are unsuccessful we will write to you to explain why

If successful we send you an offer in principle letter and ask you to attend a contract negotiation meeting scheduled for 1-2 weeks after your KMIAB Meeting

→ Defrayment of your loan monies follows

What is the Kent and Medway Investment Advisory Board?

The Kent and Medway Investment Advisory Board plays a pivotal role in the vetting process for KMBF loan applications which have reached the final stage of the process.

Businesses who reach this stage in the process are invited to present their growth proposals to the Board, an expert panel of entrepreneurs and professionals with a broad range of skills and expertise from across Kent and Medway.

Your presentation should show how you intend to demonstrate the following:

- Growth and increased productivity
- Creation of sustainable jobs
- A well-thought through business plan (key headlines)
- Details of match funding
- Identification of sustainable profits to enable repayment of the loan
- Evidence of your pledge to reduce your net carbon footprint to zero
- Your contribution to the Kent and Medway economy, including support through your Kent-based supply chain
- Track record and experience
- Ability to provide security and/or personal guarantees to the value of the loan provided

At this session applicants will also be asked a series of searching questions on their proposals before a final decision is made on their application.

These questions will include the following:

- The steps businesses have taken to secure other sources of funding
- Your ability to deliver and repay the loan over 5 years
- Security offered to secure any loan
- The benefits your proposals will bring to the wider Kent and Medway economy in terms of jobs, growth and supply chain.
- Details of your track record and experience



Things to consider when applying for a business loan

When applying for a KMBF business loan, the CAMPARI model is a useful tool to guide your application. Each letter stands for a particular aspect of your business that will be taken into account when your funding request is considered.

➤ CHARACTER

This considers your background as a business owner including your skills and successes.

➤ ABILITY

We will want to have confidence in your ability to deliver, your experience, specialist skills and track record.

➤ MEANS

We want to see what assets and liabilities you have built up over time, both personally and within the business.

➤ PURPOSE

We want to know why you need the money and how you're going to use it. A positive impact on the Kent and Medway economy, including boosting the local supply chain and job creation are also key considerations.

➤ AMOUNT

We need to know in full detail why you need the amount for which you're asking and other steps you've taken to secure the investment you need.

➤ REPAYMENT

We need to be confident you will meet repayment terms over the five-year term of the loan. Do not exaggerate forecasts or profit margins.

➤ INSURANCE

We are required to seek some security in case the repayment arrangements fail. You will need to tell us what assets would be available and their value.

