



Kent and Medway Business Fund

Prospectus for growth funding loan scheme
Autumn 2021





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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.



Business support offered across Kent and Medway

Small and medium sized businesses power the county's economy. If you're going to build back or grow your business in 2021 and beyond you couldn't have chosen a better place.

The Kent and Medway Business Fund is part of an extensive jigsaw of support available to companies countywide – from food and drink producers to tourism and digital pioneers to innovators working at the cutting edge of drug discovery and advanced manufacturing.

Kent County Council works closely with Medway Council, district councils, chambers of commerce and organisations like Locate in Kent and the South East Local Enterprise Partnership to deliver that support.

The Kent and Medway Growth Hub

The Kent and Medway Growth Hub forms part of the South East Business Hub, the South East Local Enterprise Partnership's overarching business support programme. It helps new and existing businesses to find the most suitable type of business support available in their area.

The Kent and Medway Growth Hub provides access to the knowledge, expertise, specialist resources and the inspiration required to help businesses start, grow and scale, and to realise their true potential – including developing and grasping new opportunities and new routes to market.

The Growth Hub's objective is to simplify access to advice and support, hiding the complexity of multiple sources to provide an impartial and free-to-access single-entry point for businesses.

In 2020/21 the Kent and Medway Growth Hub engaged with over 18,500 businesses:

- ▶ Helping businesses find and use the information they need
- ▶ Determining the best forms of help and support
- ▶ Helping them access support, delivered in-house or externally

The Kent and Medway Growth Hub services are supported by informed front-line advisors and specialists with a deep understanding of local business issues. Help and activities are delivered on a one-to-one basis, one-to-many through workshops and online self-help content, or through business-to-business peer learning.

To sign up for business support updates, visit:

 www.kentandmedwaygrowthhub.org.uk

For information on grants, funding and free business advice you can also call:

 03333 602300.

Locate In Kent

Locate in Kent is the official inward investment agency for the county of Kent, and provides free, confidential and impartial business support and strategic solutions to help UK and international businesses of all sizes grow intelligently and efficiently in our county.

Support offered includes helping businesses:

- ▶ Access the right funding
- ▶ Locate the right commercial property
- ▶ Grow their workforce
- ▶ Engage with a network of business experts
- ▶ Access specialised sector support and expertise
- ▶ Overcome challenges and future-proofing their business

Locate In Kent also offer Future Forward Business Recovery Support 2021, a free business growth programme for SMEs based in Kent and Medway.

Contact:

 01732 520700

 enquiries@locateinkent.com

 www.locateinkent.com



Produced in Kent

Produced in Kent is a trade organisation dedicated to supporting and promoting all types of food, drink and craft businesses in Kent.

At the heart of Kent and Medway's rural communities, it provides vital support to a diverse range of businesses which in turn provides valuable employment opportunities in Kent.

Produced in Kent provides business support, advice and sales opportunities, promoting local and seasonal produce and providing support and services to its members.

Contact:

📞 01732 853170

✉ info@producedinkent.co.uk

💻 www.producedinkent.co.uk

South East LEP

The South East Local Enterprise Partnership (SELEP) is one of 38 LEPs, established to provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area.

LEPs were set up by the Government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and

create jobs. SELEP covers an area encompassing the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.

SELEP Business Support includes:

- Coronavirus guidance for employers and businesses
- Business support programmes delivered through local Growth Hubs (see Kent and Medway Growth Hub above)
- Advice and Guidance about trading in Europe

Contact:

📞 03330 322946

✉ hello@southeastlep.com

💻 www.southeastlep.com

Medway Council

Medway Council is an unitary authority within Kent. It aims to support businesses that want to grow, start out or move to Medway.

They offer advice and guidance on:

- Employment and finding staff
- Business planning
- Bringing business and education together
- Funding opportunities
- Premises location
- Business set up and licensing

Contact:

💻 www.medway.gov.uk/medwayforbusiness





Westerham Brewery

📍 Beggars Lane, Westerham

Westerham Brewery is a great example of a business that has emerged from the Covid-19 pandemic stronger, continuing centuries of brewing tradition in the town.

Having a godfather with the surname of Theakston always suggested that Robert Wicks was destined to become a brewer. But a full-time career in brewing had to wait. It was not until 2004, that Robert pivoted to his early passion and revived a brewery tradition close to where he lived.

Robert initially established his brewery at Grange Farm, a National Trust property at Crockham Hill. In 2014 he looked to step up a gear by moving the brewery from Grange Farm to Westerham, a move that would require significant investment.

He put together a bid for a five-year interest free loan of £125,000 from the Kent and Medway Business Fund. This provided the funding to help relocate the business to Westerham, to boost capacity, install a mash tun, drill a 90-metre freshwater borehole, improve staff facilities and, crucially, begin work on a Tap Room.

"The KMBF loan helped us to do what we wanted. It wouldn't have happened without it."

The business moved to the east side of Westerham, some way from the original brewery site on the western side of the town. New jobs were created, boosting the workforce to the current 21. "Without that loan, we wouldn't have been able to do the Tap Room as we wanted," Robert recalls.

The Tap Room has become a spectacular success, helping the brewery prosper after the lifting of Covid-19 lockdown restrictions, with 160-seat capacity, 80 under cover and 80 in the beer garden. Some 5,500 customers came through the doors in the first month alone.

"We are creating a year-round attraction for tourists. KCC has been a great support, especially when the banks were less supportive.

It's been a very good use of public funds. The KMBF loan helped us to do what we wanted, and it wouldn't have happened without it."

TOP TIP

✓ **Make full use of free business support advice from Kent County Council and partners such as Locate in Kent.**

Westerham Brewery were seeking to relocate their business to help boost capacity, create jobs and expand facilities for visitors. The advice they received helped to make that happen.



Sunstone Systems

📍 The Boulevard, Herne Bay

Sunstone Systems prides itself on being a company of passionate inventors, smart thinkers and problem solvers – enjoying rapid growth from start-up to global player in the renewable energy sector.

That solar-powered CCTV security systems are standing the test of time in the hostile climate of a remote Kazakh oil field owes much to Kent's financial support and engineering know-how.

Sunstone Systems has grown from a start-up in 2011 to a global player on track for £20m+ turnover over in the next five years.

When US giant Chevron invited the small business to develop their Solar IP CCTV System (SICS) for the Tengiz field in north-western Kazakhstan, the project required considerable working capital and significant scale-up from a staffing point of view.

"The loan was the springboard to bring on new clients and transition to a global scale."

Sunstone turned to the Kent County Council run Kent and Medway Business Fund for a £350,000 interest-free loan to make it happen.

Aaron David, Chief Financial Officer, explains, "This was significantly larger than anything we had done before. We needed the initial loan to help the business scale up to meet the project.

It was critical to bringing in highly skilled people from the Kent area with expertise in solar and hardware and software and we wouldn't have been able to achieve the success of that project without those people."

The loan was definitely the springboard for the company to bring on new clients and transition from operating in Kent and the South East to a global scale," says Aaron.

TOP TIP

✓ **Explore all avenues of funding to give your business the best chance of securing the investment you need.**

KMBF funding allowed Sunstone Systems to scale-up quickly. Without that support as a start-up business, their route to success would have been even more challenging. In a tough economic environment, post-pandemic, banks tend to restrict their lending to higher risk businesses.

"The KMBF team were very proactive. During the application process, they were responsive and diligent in their willingness to cover off any issues of ambiguity. I would recommend it to others 100%."



Viking Maritime Group

📍 Viking House, Beechwood Business Park, Menzies Rd, Dover

Viking Maritime Group is one of the UK's leading specialists in both the recruitment and training of people seeking careers in the maritime industries.

From its headquarters in Dover this ambitious and successful company has built a global presence, with offices in the Channel Islands, the United States, the Philippines and New Zealand, as well as Portsmouth in the UK.

The opening of the £4.5m Maritime Skills Academy in 2016 realised a long-held ambition by Viking Maritime Group to create a world class centre that would take marine, fire safety and simulator training to a new level.

A successful application for Kent and Medway Business funding supported the construction of a state-of-the-art facility, complete with deep water pool, that today offers over 500 expert courses to more than 5,000 clients annually.

"The Maritime Skills Academy was our vision for a new type of academy offering complete training

"This type of funding is essential, especially at this time."

management; they are world class centres with state-of-the-art facilities supporting delegates from around the world," explains Phil Drury, Group Finance Director, Viking Maritime Group.

"That could be from the cruise industry, private yacht crews and marine shipping crews or increasingly from those working in offshore, renewables and maritime construction."

The funding not only enhanced the portfolio of Viking Maritime Group but also had significant benefits to the local economy from supporting jobs in the local supply chain to hotel accommodation.

"This type of funding is essential, especially at this time," Phil says. "It considers broader benefits than just financial, including local employment, regeneration and other socio-economic factors that traditional funders don't consider."

TOP TIP

✓ **The best applicants understand the broader impact that funding will bring to both the business and the local economy.**

Viking Maritime understood that to be successful they needed to show how their plans could benefit from jobs created to regeneration – socio-economic factors not always considered by traditional lenders.

