

## FREQUENTLY ASKED QUESTIONS

### What is Invest to Grow?

Invest to Grow is a programme designed to support private sector businesses across the East Midlands to innovate, grow and create jobs. The programme aims to generate economic activity by investing in enterprise growth and to promote the creation of new jobs and the safeguarding of existing jobs. It is intended to be a re-circulating finance scheme to ensure sustainability beyond the duration of Regional Growth Fund.

Invest to Grow is a fund of last resort. Projects will need to demonstrate that other avenues of support and funding have been explored and why Invest to Grow funding is vital to the project going ahead. All projects will be required to demonstrate that funding support will achieve two or more of the following criteria:

- An increase in the size of your company activity, i.e. more jobs, employees, due to the fund's investment
- An increase in the scope of your company activity due to the fund's investment
- An increase in the amount of money spent on your company activity due to the fund's investment
- An increase in the speed in which you deliver your company activities due to the fund's investment
- That the project delivered through this fund would not have taken place without support.

### Who can apply?

Small and medium sized enterprises (SME's), large enterprises, social enterprises as well as sole traders and partnerships located in the East Midlands.

### What kind of projects will Invest to Grow fund?

Invest to Grow is primarily aimed at SME companies. However, large companies can also apply with any considering an application advised to discuss their proposal with an Invest to Grow Fund Manager prior to submitting an expression of interest form (Invest to Grow hotline number: 01332 597907).

Funding is available for projects that will create new jobs that can be sustained for a minimum of 3 years (5 years for large organisations). In particular, projects are welcomed that create higher skilled jobs (i.e. require knowledge and skills at or above NVQ level 4).

The types of project that Invest to Grow may support include (this list is not exhaustive):

- Companies wanting to develop or improve their products and related services.
- Companies looking to expand the business due to operating at capacity and having to turn away potential customers.
- Innovation in products, processes and systems that will result in business and supply chain efficiency, resilience, growth and profitability.

The programme is aimed at growth sectors such as transport equipment manufacturing, life sciences, construction, food and drink manufacturing, logistics, engineering and low carbon. This is not an exhaustive list and we are particularly interested in supporting enterprises where the Invest to Grow funding can act as a facilitator or fast track to commercialisation and job creation.

Invest to Grow does not support professional services, agriculture and retail businesses which includes shops, restaurants, cafes and pubs.

### How much can I apply for?

The minimum award size is £15k, where the minimum project cost is likely to be £50k. Maximum award size is £250k although higher awards can be considered for projects which offer exceptional value for money.

Grants and loans (or a blend of both) remain available. **Applications where the loan amount requested is greater than the grant amount will stand a greater chance of being successful.** On occasion the Invest to Grow team will only approve initial Expressions of Interest on the basis that the grant funding applied for is replaced by a loan, either in full or part.

Loans will be provided at an interest rate dependent on the creditworthiness of the applicant and the level of collateralisation. This will be determined as part of the due diligence exercise once the project has been approved in principle. Loan awards cannot usually be made unless security is offered of sufficient value to cover the full value of the loan. This may be in the form of property and/or other fixed assets owned by the applicant. In certain circumstances Intellectual Property may also be considered.

Please be aware that future Invest to Grow funding is reliant on the re-allocation of returned loan funding awarded to previous applicants. Applicants are advised to discuss the timing of their project with the ITG team to ensure funding availability.

### Do I have to secure match funding?

All applications for funding will be assessed against Invest to Grow criteria with each applicant normally required to provide a minimum of 70% of the total project costs.

### Are there deadlines?

We are currently looking to fund projects which must be completed in terms of expenditure within 12 months following the start of the project. Jobs are expected

to be created within a reasonable time frame of the investment.

### What costs can I apply for?

- Land and building costs
- Machinery costs
- Equipment costs
- Operating costs, including costs of materials, supplies and similar products incurred directly as a result of the project
- Costs associated with training the workforce to introduce the innovation into the production process of the company – materials & supplies, travel expenses, tools and equipment used for the training
- Cost for research or technical knowledge
- Additional overheads incurred directly as a result of project

All project costs must be **exclusive** of VAT.

### What costs can't be included?

Invest to Grow does not support companies looking to include significant staff or overhead costs or do we support the purchase of vehicles.

### Will Invest to Grow fund land and buildings costs?

Yes, we can fund Land and Building costs. However, project costs relating to land and/or building costs will **only be considered for predominantly loan funding**. Please be aware you will be required to provide all the necessary documentation both prior to your project being assessed and, if your project is successful, all the necessary security documentation (i.e. certificate of title, planning permission).

### How many jobs does my project need to create?

We would expect projects to provide proposals where jobs are sustainable and will last a minimum of 3 years and at a range of different skill levels. Project proposals can include both jobs created and jobs safeguarded, however, job creation is viewed far more favorably than safeguarded positions. **Only direct jobs realised within the applicants' organisation** will be considered. We would expect a minimum of 1 new job to be created for every £10,000 of funding provided.

### Where does my project need to be located?

Invest to Grow is only able to support projects located in the East Midlands. Assets purchased on projects, and staff recruited, must also be located in the East Midlands.

### What about State Aid?

Invest to Grow cannot offer support which may constitute unlawful State Aid. This is a complex area and applicants should satisfy themselves that the investment sought

does not constitute unlawful state aid and where appropriate seek specialist advice. Before funding contracts are entered into, the University of Derby may require further details from the applicant. For more information please visit:

[www.bis.gov.uk/state-aid-frequently-asked-questions](http://www.bis.gov.uk/state-aid-frequently-asked-questions)

All activity supported by the programme must comply with the European State Aid law provisions set out in the General Block Exemption Regulation ((Regulation EC) 800/2008) and Treasury Green Book guidance designed to promote the efficient and proper use of public resources.

### **Will there be anyone to help me?**

You can discuss your project idea before submitting an Expression of Interest with the Invest to Grow team. If your project is progressed to full application stage it's likely that an Invest to Grow Fund Manager will come to visit your project (generally once the first draft of the full application has been submitted) to further discuss your project and advise you on the final submission of the full application.

### **Are there other costs involved in applying for Invest to Grow funding?**

Where necessary successful projects may be required to submit more detailed information (e.g. evidence of state aid compliance) and may be subject to further legal and financial due diligence, prior to entering into formal funding contracts with the University of Derby (the Accountable Body for the fund).

In this instance, due diligence is undertaken by an external company and is subject to a fee. **This is payable by the applicant in advance of the due diligence work commencing.** Applicants will be provided with a list of approved firms whom they may appoint to conduct the due diligence exercise.

### **Can I start my project before I apply to Invest to Grow?**

At the very earliest, a full application to Invest to Grow must be submitted and an in principle offer made from the Strategic Investment Panel before work on the project can begin. If work on a project (i.e. firm commitments or orders for equipment, final offers on a property, recruitment of a new starter) started before this date then it is ineligible for financial support.

### **Who's managing Invest to Grow?**

The programme is being managed by the University of Derby. The University will be making full use of its strong links with the business community to maximise the impact of the programme by linking applicants with appropriate academic expertise and recruitment support.

**Please let us know if you wish to access other University services when completing full applications.**

## **Where can I get an application pack from?**

The first stage of the application process is the submission of an Expression of Interest form. For further details please call the Invest to Grow helpline on 01332 597907 or email us at [investtogrow@derby.ac.uk](mailto:investtogrow@derby.ac.uk). Expression of Interest forms can be downloaded at [www.derby.ac.uk/investtogrow](http://www.derby.ac.uk/investtogrow).

## **What does the application process for Invest to Grow involve?**

The Invest to Grow customer journey is represented in Figure 1. Please note that applicants should allow a minimum of 3 months to progress applications through the entire Invest to Grow process, although each project will be different and your Invest to Grow contact will provide clearer updates on the timescales once your application has been received.

## **How do I find out the latest information on Invest to Grow?**

Keep an eye on [www.derby.ac.uk/investtogrow](http://www.derby.ac.uk/investtogrow). The site will be kept up-to date with the latest information.

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**FIGURE 1 - THE APPLICATION PROCESS**

