

Fund Name	Midlands Engine Investment Fund			
Applicant	Department for Business, Energy and Industrial Strategy ("BEIS")			
ERDF Sought	£78,550,000			
Priority Axes	Priority Axis	Investment Priority	Category of Region	ERDF
Investment Priorities	1	1b	more	£1.8m
	3	3a, 3c, 3d	more	£53.55m
	3	3a, 3c, 3d	transition	£19.2m
Category of Regions	4	4f	more	£4m
Total Project Cost	Funding Source	Amounts	Type	Totals
	ERDF	£78.55m	Investment	
	BEIS capital grant	£32.6m	Investment	£111.15m
	European Investment Bank senior loan	£122.5m	Loan	
	British Business Financial Services Limited junior loan	£32.5m	Loan	
	Total Project Value			£266.15m
LEP Areas Covered	<ul style="list-style-type: none"> • Black Country; • Coventry & Warwickshire; • Greater Birmingham & Solihull; • Stoke & Staffordshire; • The Marches; • Worcestershire; • Derby & Derbyshire; Nottingham & Nottinghamshire; • Greater Lincolnshire; • Leicester & Leicestershire; • South East Midlands (now merged with Northamptonshire Enterprise Partnership). 			
Description	<p>Midlands Engine Investment Fund will be a Fund of Funds ("FOF") providing a range of affordable finance products to SMEs across the Midlands with investments ranging from between £25,000 and £2m.</p> <p>It will be delivered by an entity wholly owned by BEIS to be known as Midlands Engine Investments Limited ("MEIL"). MEIL will be advised by British Business Financial Services Limited ("BBFSL") on the day-to-day activities of the Fund. BBFSL is wholly owned by the British Business Bank ("BBB"), the UK Government's economic development bank.</p> <p>The project is responding to Ex-Ante Assessments (EAA) completed for the West Midlands and the East and South East Midlands which identified structural market failures affecting access to finance for start-ups and growing SMEs. The EAA identified increasing business start-up activity,</p>			

	<p>SME growth and improving business confidence which is fuelling a greater demand for external finance. In response to the EAA, MEIF will provide the following products:</p> <ul style="list-style-type: none"> i) Micro-finance: provision of small business loans (£25,000 to £150,000) ii) Debt: provision of business loans (£100,000 to £1.5m); iii) Equity: provision of equity funding (up to £2m); iv) Proof of Concept/Early Stage: provision of funding (up to £750,000) <p>The total eligible costs of the project comprise £21,179,288 fees, and £244,970,712 investment capital. The fund of fund management costs are being funded outside of the eligible project.</p> <p>The procurement process to create a framework of Fund Managers to deliver the product sub-funds has commenced. Mini-competitions will then be undertaken from the frameworks to appoint individual Fund Managers to manage the product sub-funds. The Fund is due to launch in March 2017</p> <p>The project will deliver across a number of Investment Priorities from the ERDF Operational Programme, delivering outputs and economic benefits for the participating LEP areas.</p>
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Key Milestones	Funding Agreement Legally Executed	21 Nov 2016
	Launch of Fund	March 2017
	Funds available to SMEs	March 2017
	Start of investment period	March 2017
	End of investment period	April 2020
	Start of portfolio realisation	May 2022
	Financial Completion Date	31 December 2023
	Practical Completion Date	31 December 2023
	End Portfolio Realisation period	May 2027
Key Outputs	C1 – Number of enterprises receiving support	2,286
	C3 – Number of enterprises receiving financial support other than grants	1,478
	C4 – Number of enterprises receiving non-financial support	808
	C5 – Number of new enterprises supported	622
	C7 – Private investment matching public support to enterprises (non-grants)	£250.6m
	C8 – Employment increase in supported enterprises	3,833
	C28 – Number of enterprises supported to introduce new to the market products	15
	C29 – Number of enterprises supported to introduce new to the firm products	118