



Regional Growth Fund

ROUND 6



WHAT IS THE REGIONAL GROWTH FUND?

The Regional Growth Fund (RGF) is a competitive £3.2 billion Government fund operating across England to:

- **provide grants** to private sector projects and programmes with significant potential for economic growth, **leveraging in private sector investment** and **creating or protecting jobs**.
- **support particular areas and communities** that are currently dependent on the public sector for employment to transition to private sector-led growth and prosperity.

On 19 June, RGF Round 6 opened with at least £200 million available to bidders. The deadline for applications is 30 September 2014.

To date, the fund has allocated £2.9 billion in support to businesses and intermediaries which is projected to deliver 573,000 jobs and generate £16 billion in private investment.

Projects raising private finance and creating or safeguarding jobs that require grants of over £1 million are funded directly. To date nearly 400 companies have obtained RGF funding in this way to get their projects off the ground or scale up their plans. This

accounts for roughly half of the RGF funds allocated.

The remaining RGF funding has gone to intermediaries. These can be regional or national programmes run by a variety of fund managers from asset finance specialists to local partnerships involving universities or regional news corporations. They provide support to small or medium-size enterprises (SMEs) that require less than £1 million. Rounds 1-4 programmes have to date provided funding to over 4,000 SMEs.

Previous RGF rounds have all been oversubscribed. Again in Round 6, Government will be looking to support the strongest bids which return best value to the taxpayer and generate sustainable growth. We will announce which bidders have been successful in early 2015. Grants will have to be claimed fully by March 2017, though the projects or programmes can continue beyond that date.

Hence, those best placed to apply will be those with a project or programme in development that requires some extra funding to get started or reach its full potential. If you think your company or a business you support could benefit from this type of funding, read on to find out more.

THE SUCCESSFUL BID JOURNEY

A Regional Growth Fund grant could help your business unlock a new opportunity.

If your project needs an injection of £1

million + in order to proceed, has the rest of its funding in place and will lead to sustainable jobs, the Government's Regional Growth Fund could be the answer.

HERE'S HOW IT WORKS



Attend a **REGIONAL EVENT** and book in for an **EXPRESSION OF INTEREST SESSION** to get impartial, confidential and non-binding advice.

Consider speaking to your Local Enterprise Partnership or a previous bidder.

SUBMIT YOUR BID



It will be **APPRAISED** by our economists and scored on a range of factors.



The **LOCAL GROWTH MINISTERIAL COMMITTEE** then decide which bids are successful.

It will go before an **INDEPENDENT PANEL** which makes recommendations for support.



A case officer will support you through **DUE DILIGENCE** and **CONTRACTING**. This process is to agree the terms of the grant and to provide assurance that the project can be delivered.

We agree a **FINAL GRANT OFFER LETTER** with you.

You can start **DRAWING DOWN FUNDS**. A monitoring officer will meet you quarterly to discuss how your project is progressing against job creation and investment milestones. They will support you should your project come into difficulty.

WHAT ARE THE MAIN TERMS OF THE SUPPORT?

To be eligible, applications must meet the following criteria:

- The bid must be for at least £1 million RGF support.
- The project or programme needs to demonstrate it will safeguard or create jobs.
- The project or programme must raise private investment, whether through the company’s own resources, investors or borrowing. The project must lever in AT LEAST £1 of private investment for every £1 of public support. Successful bids tend to far exceed this. To date, the RGF has leveraged on average £5.5 of private investment for every £1 of Government funding.
- Bids must come from a wholly private organisation such as a limited company or a university.
- Bids must not involve the delivery of a public sector project or service.
- Our appraisal process will score more highly activity located in areas more dependent on public-sector employment, with higher unemployment and lower private sector growth.

WHAT KIND OF ACTIVITY CAN AN RGF GRANT SUPPORT?

RGF support is not restricted to any particular sector or type of activity. It can be used to support capital investment, research & development, or training for projects seeking to extend current activity or diversify.

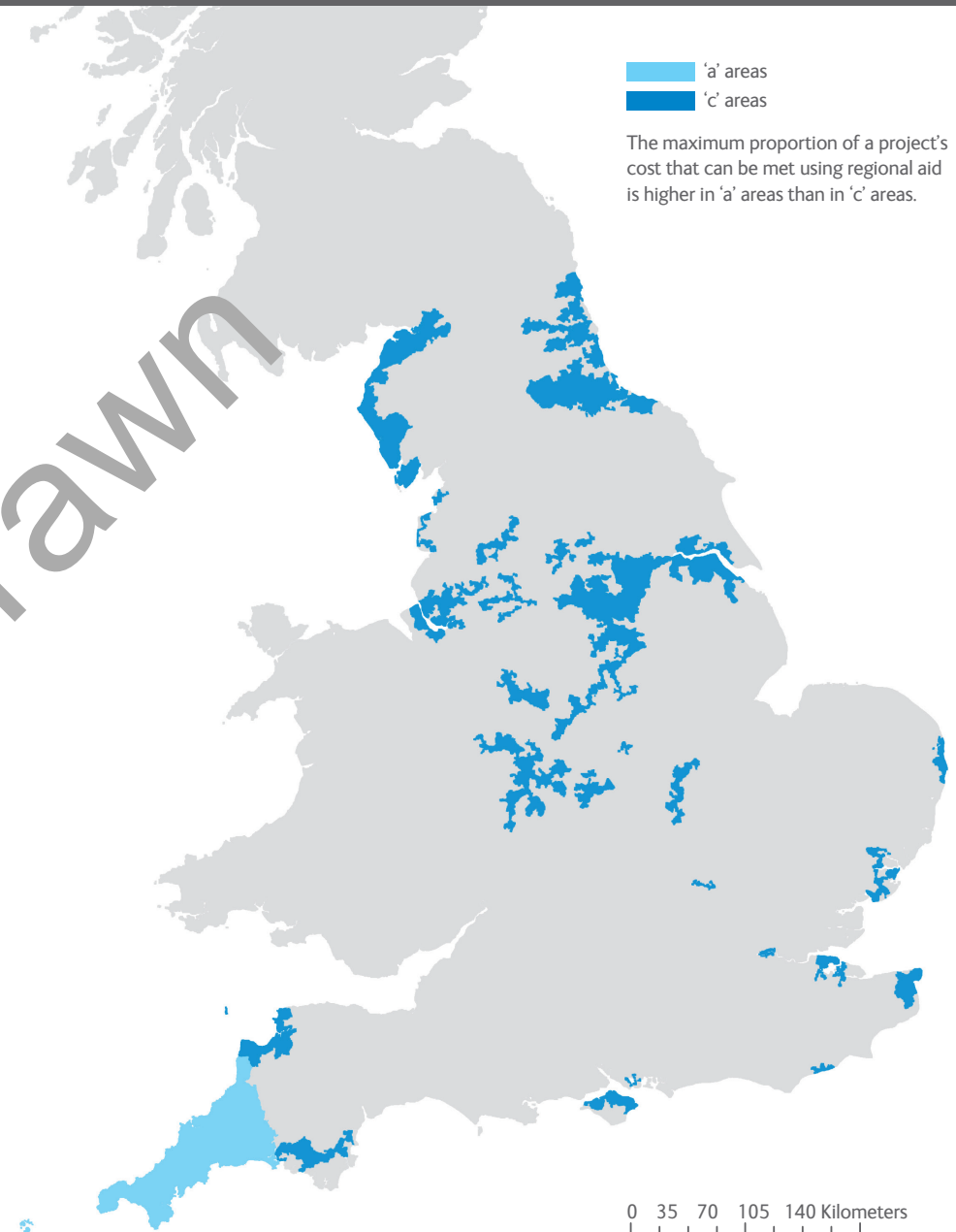
Government funding must comply with state aid rules. From 1 July 2014, the European state aid rules are changing. For more information, visit www.gov.uk/state-aid.

In parallel, the new 2014-2020 UK Assisted Areas Map, opposite, becomes operational on 1 July. A key benefit of Assisted Area status is eligibility for a form of state aid called regional aid. Find out more at www.gov.uk/government/publications/state-aid-assisted-areas-introduction.

If you are thinking of bidding for funding under a state aid exemption reliant on Assisted Area status, we recommend that you check that your project is eligible on our new searchable online map: www.ukassistedareasmap.com.

WHAT NEXT?

We recommend potential bidders attend our regional events this summer. Members of the RGF team will be on hand to help answer questions. Local Enterprise Partnerships and previously successful bidders will also be present. You will be able to sign up for our one-to-one Expression of Interest (EoI) sessions. We strongly recommend these to potential applicants, particularly those bidding for the first time. Telephone EoI sessions will be available until September. To find out more about these events and register for them, please visit www.bis.gov.uk/rgf.



‘I’d do it all again.’



Mulberry

Round 2 – Bridgwater, South West

Lawrence, Supervisor

When Mulberry’s project to open its second factory, The Willows, in Bridgwater received RGF funding and went ahead, Lawrence was amongst those approached to make the move across from the old site. He recalls taking part in an open evening at the local college in November 2012.

“We set up a mini production line. I was stitching in front of an audience of 1,300 people and I didn’t put a stitch wrong. And the boss made me tea! We got the biggest cheer when we said we didn’t use any agency staff. Because of the hand-crafted nature of our products, anyone working on them has to be fully trained.”

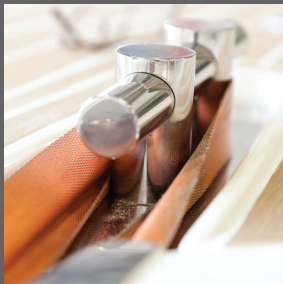
In all, over 3000 people enquired about a job at the new site. Assessment days saw 24 applicants a day, one week a month, for 12 months. Every five weeks 30-35 new faces started on site with production and recruitment running in parallel. Those who completed pre-employment training at the local college were given a guaranteed appraisal slot. The site now employs over 60% disadvantaged workers.

“I helped with the recruitment and I was part of the training group. We created a new training programme. It’s amazing how quickly that huge

space filled up. And it all went so smoothly. We just kept adding line after line, but the factory stayed quiet and calm. The new starters were better than I could ever have imagined. We’ve not been going a year yet and our production rate is astonishing.”

“Every morning I have a quick meeting with my line. Last week we exceeded our target, so today we talked about what’s working well. It’s all about flow – there’s no point you getting through 40 bags a day if the person next in the line is doing 20. You’ve got 20 bags going nowhere. It’s a teamwork environment. And we’ve had a very low leaving rate – less than 10%. I can honestly say to people when they start: this is the best place you could hope to work.

I’d do it all again if I could. I’ve got to know and train over 300 people. I’m pretty sure I could name at least 90% of the people who work here. It’s been brilliant.”



COVER PHOTOGRAPHS

Alan Bowers from **English Harbour Yachts**.

RGF Round 3. £74,750 grant through the High Performance Technologies R&D Investment Programme in Northamptonshire.



Chris Hayes, Senior Sustainability Manager, **Skanska Cementation**.

RGF Round 3. £1.08 million.



Lawrence White, Supervisor, **Mulberry**.

RGF Round 2. £2.5 million.

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