



MANCHESTER  
CITY COUNCIL

# The Northwest Fund

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**(Regeneration)**

# Overview

- NW Fund is a £170m evergreen investment fund.
- Provides debt and equity funding to SMEs in the NW.
- Financed by the ERDF and the EIB under JEREMIE and managed by NW Business Finance Ltd.
- Established with £185m: £92.5m from NW ERDF and a £92.5m from EIB.
- Additional £15m of ERDF held back for when fund matures.

# Allocation

- In total £170m of ERDF and EIB funds were allocated to sub-funds:
  - Development Capital (£45m)- YFM Private Equity
  - Venture Capital (£30m)- Enterprise Ventures Ltd
  - Business Loan (£35m)- FW Capital Ltd
  - Energy and Environmental (£20m) -CT Investment Partners LLP
  - Biomedical (£25m)- Spark Impact Ltd
  - Digital and Creative (£15m)- AXM Venture Capital Ltd.
- £13m has been invested in 13 GM businesses.

# Timescales and Targets

- NW initial investment period extended until December 2015
- By 2022 NW is expected to have:
  - Supported 800 businesses
  - Created or safeguarded 14,000 jobs; and
  - Added £300 million to the North West's GVA.
- In total they have invested c.£42m since 2010
- They have an investment target of £35m to be made in 2013.

# Access to Finance Northwest Service

- Service transferred from NWDA / BLNW in November 2011.
- Planned 2013 transfer to the new Manchester Growth Company in 2013.
- A2F Service is focussed on -
  1. Ensuring viable NW SME's are investment ready
  2. Supporting the process of obtaining appropriate funding
- Key USP's – Impartial , Independent , Experience / Knowledge, Complimentary ( existing financial relationships ) , Free To Access
- Within GM A2F have engaged with 1,100+ businesses generating funding offers in excess of £5m.
- In 2013 following approval of City Deal funds the service will significantly expand its activities within GM increasing the existing base of A2F Specialists from 3 to 7
- By March 2015 the service aims to create or safeguard 1,240 jobs

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# North West Business Angels

- Service transferred from NWDA in November 2011.
- Planned 2013 transfer to the new Manchester Growth Company.
- Operational management structure implemented focussed on –
  - Increasing investor base
  - Developing introducer network to increase potential deal flow
  - Working closely with A2F Service to develop quality propositions
- 9 events have been run since NWBA transfer, resulting in funding offers in excess of £ 1m +
- Significant scope for further development in GM utilising City Deal funding –
  - Development of a model of greater co-investment
  - Developing syndication opportunities
  - Closer collaboration with alternative angel networks

# Business Finance Solutions – Small Loans for Business



- Has continued Small Loans for Business lending, although ran out of capital in 2011/12 and disbursed only £700k.
- New capital now secured for 2013 which is set to create an overall fund of £13.9m and investments of £24.9m by 2022.
- Enterprise Finance Guarantee annual accreditation re-secured.
- Bank referrals are now a critical component of deal-flow with over one-in-four enquiries now coming from bank-declines.
- Two new financial products on stream:
  - “New Enterprise Allowance”: lending up to £1k to unemployed people to start-up their own business. Approximately 540 disbursements per annum.
  - “Start-up loans for Young People”: In the first six-months we are set to disburse over 230 loans to entrepreneurs aged 18-30 and have had over 500 applications in January alone. Loans are typically £2,500 but can be higher.



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