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Cheshire and Warrington
Local Enterprise Partnership

Finance Advice for Start-up & Small Businesses

Welcome to the webinar, we will begin shortly.

Please Note

We can't see or hear you and you can't share your screen.

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C&W Access to Finance & Grant Service

Finance Advice for Start-ups & Small Businesses

16th December 2021 - 10am

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C&W Access to Finance & Grant Service

An ERDF project which provides a range of services to SME across Cheshire & Warrington including.

- 33% grant towards consultancy projects which growth and employment within the SME.
- Programme of Access to Finance seminars and workshops
- 1-2-1 consultancy to small businesses seeking support to apply for financial investment



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AGENDA

- Dave Saddington – Cheshire and Warrington Growth Hub
- Mike Bryne – Associate for Blue Orchid/Practising Accountant
- Chris Koral – Programme Manager – Cheshire & Warrington Business Growth Programme
- Glenn Hyde and Dave Martin – GC Finance – Governments Start up Loans Programme
- Sarah Bailey – Director Business Banking – Natwest

Cheshire & Warrington Growth Hub - Agenda

- **Dave Saddington – Business Growth Support Broker**
- Introduction to the Growth Hub
- What is debt finance?
- Government Finance Schemes Update
- Finance Application – Good Practice



Dave Saddington
Growth Hub

Growth Hub

Free, impartial service funded by government.

Part of Cheshire and Warrington LEP.

We work with over 200 partners.

We work with businesses no matter what the size or the sector.

Our service is bespoke to you and your business needs, we provide a range of support services that can help business growth.

Coronavirus, Exporting, Finance, Growth, HR, Innovation, Peer Networks, Skills, Start-Up.



Growth Hub

info@growth.cheshireandwarrington.com

growth.cheshireandwarrington.com



Debt Finance: A Definition

- Money borrowed to use in the business
- Paid back with interest and fees over an agreed term
- Includes Loans, Overdrafts, Asset Finance and Invoice Finance





Government Support Schemes

- Bounce Back Loan Scheme: “Pay as you grow” scheme introduced to spread repayments with 3 options. (Closed for applications)
- Coronavirus Business Interruption Loan Scheme: 6 year repayment term and 12 month capital repayment holiday. (Closed for applications)
- Recovery Loan Scheme: Available for applications to 30th June 2022. Interest and Fees paid by the business from the outset – Terms up to 6 years, can be extended. Annual Effective Rate of Interest and upfront fees cannot be more than 14.99%.

Funding Sources – Northern Powerhouse Investment Funds and British Business Bank

- **Start Up Loans:**

- Available in the first 2 years of a new business
- Personal Loan for each person
- Interest Rate 6%
- Nil Fees
- 5 Year repayment term
- 12 months mentoring



Funding Sources – Northern Powerhouse Investment Funds and British Business Bank

- **Micro finance:**
 - £25k to £100k
 - Start Ups to growing businesses
- **Debt finance:**
 - £100k to £750k
 - Growth businesses
- **Equity finance:**
 - £50k to £2M
 - Innovative and fast growing businesses



Funding Sources – Northern Powerhouse Investment Funds and British Business Bank

- **Recovery Loan Scheme:**
 - Available through the Northern Powerhouse Investment Funders
 - Alternative funders to own banks
- **Angel Investors:**
 - We are working on accessing local networks for good quality businesses
 - Business Plan, Pitch Deck and Financial Projections required



Finance Applications and Good Practice

- **Bank & Accountant:** Maintain good communication and professional support
- **Financials:** Annual Accounts and Management Figures + 12 month projections
- **Loan Repayments:** Lenders will want to see proof that existing & new loans can be repaid + HMRC Tax up to date
- **Credit Ratings:** Business & Personal Ratings – important for loan approvals
- **Refinancing:** Work together on all options to spread out finance or raise cash against business assets in or outside the business





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Applying for Small Business Finance: The Basics

Michael Byrne

The UK Market for Small Business Finance

- Gross bank lending surged to a record high in 2020. Equity finance values and volumes increased while alternative finance lending decreased.
- Small business use of traditional forms of external finance fell despite the challenges they faced in 2020.

*Source: British Business Bank
Small Business Finance Report
2020/21.*



The role of finance

- To enable a business to start in the short term or to grow in the long term
- Waiting for retained profit can lead to missed opportunity.
- A finance provider is as interested in the owner of the business, as much as the business itself.

Finance Options

- Business start-ups use their own funds for control and simplicity
- Grants are available in some circumstances subject to criteria
- Loans enable businesses to invest for the long term
- Equity investments allow a growing business to use external risk capital

Grants

- Grants are not repayable and tend to be small
- Application procedures vary and eligibility criteria can be complex
- Match funding can be needed and grant makers tend to have a limited budget

Cheshire & Warrington Growth Hub can provide information and support in applying to local enterprise partnerships

www.cheshireandwarrington.com/growth-and-skills/growth-hub/

Community Finance

- Community Development Finance Institutions (CDFI) are organisations that help businesses unable to get a bank loan to gain access to finance.
- They are funded by government and private donation often from banks.
- They can offer loans between £10,000 and £150,000 under less strict lending criteria, and will favour businesses that support their local community.
- Their rates of interest are commercial.
- Examples are Bolton Business Ventures, Business Finance Solutions and Lancashire Community Finance
- www.findingfinance.org.uk

Alternative Finance

- **Crowdfunding** is a way of using the internet to raise capital from large number of people
- **Peer to Peer lending** is direct lending from one business to another
- **Asset Finance** is the process of buying equipment through lease or hire purchase
- **Business Angels** are private individuals looking to invest in businesses
- **Factoring and Invoice Discounting** can provide cash flow in return for debts
- **Northern Powerhouse** for investment over £25,000

www.british-business-bank.co.uk/finance-options

www.gov.uk/business-finance-support

Applying For Finance

- *Prepare a business plan*
- *Create a compelling vision*
- *Use evidence to support your case*
- *Understand the criteria and the decision-making process*



Business Plan

- Introduction or Executive Summary
- Resources
- Marketing Strategy
- Finance
- The Future

Should contain an appropriate level of detail to enable a reader to understand why the finance is required, and what will be the benefit.

Cash Flow Forecasts

- Use market research to predict sales and how they will vary month to month
- If unable to predict sales, create a realistic 'target'
- Most expenses are fixed and easy to predict
- The cost of goods sold varies with sales
- The best way to use a cash flow forecast is to revise the figures as the year progresses

	Jan	Feb	Mar	Apr	May	Jun	Total
CASH INFLOWS							
Investment	10,000						10,000
Credit sales	2,500	10,000	10,000	10,000	10,000	10,000	52,500
Total inflows	12,500	10,000	10,000	10,000	10,000	10,000	62,500
CASH OUTFLOWS							
Project materials		3,000	3,000	3,000	3,000	3,000	15,000
Sub-contract labour	4,000	4,000	4,000	4,000	4,000	4,000	24,000
Marketing	500	500	500	500	500	500	3,000
Legal and accounting	1,250	0	0	0	0	0	1,250
Equipment	2,500	0	0	2,500	0	0	5,000
Sophie & Jack salaries	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Other costs	500	500	500	500	500	500	3,000
Total outflows	9,750	9,000	9,000	11,500	9,000	9,000	57,250
NET CASH FLOW	2,750	1,000	1,000	-1,500	1,000	1,000	5,250
Opening balance	0	2,750	3,750	4,750	3,250	4,250	
Closing balance	2,750	3,750	4,750	3,250	4,250	5,250	

CHESHIRE AND WARRINGTON BUSINESS GROWTH PROGRAMME

Chris Koral

**Programme Manager
University of Chester**



CHESHIRE AND WARRINGTON BUSINESS GROWTH PROGRAMME

- Fully funded support for pre-starts, new start-ups and established SMEs
- Workshops, 1-1 support, networking, signposting, small grants scheme
- 3 delivery partners: University of Chester, MMU and Reaseheath College



GRANTS SCHEME

- Open to businesses receiving support through BGP
- 50% grant up to max £15k for activities supporting business growth, innovation, job creation
- Website development/design/marketing collateral for start-ups
- New production machinery, ICT equipment
- Consultancy linked to new product development, innovation



UPCOMING EVENTS

Start-Up Bootcamp: Grow, Thrive, Survive: Mon 17 Jan - Mon 7 Feb 2022

<https://www.eventbrite.co.uk/e/start-up-bootcamp-grow-thrive-survive-tickets-187586615617>

Sustainable Business Bootcamp: People, Planet, Profit: Mon 28 Feb – Mon 21 March 2022

<https://www.eventbrite.co.uk/e/sustainable-business-bootcamp-people-planet-profit-tickets-170449659520>



FOR MORE INFORMATION

Cheshire and Warrington Business Growth Programme

<https://www.cwbusinessgrowth.co.uk>

University of Chester business support resources

<https://www1.chester.ac.uk/business>



Glenn Hyde and Dave Martin

GC Finance

Governments Start up Loans Programme



Start Up Proposition

Sarah Bailey
Director Business Banking

16 December 2021
Document Classification: Public

Why NatWest

Our Strategy

Our strategy is to deliver on our purpose and drive sustainable returns to shareholders through four strategic priorities.



Areas of Focus

There are three focus areas of our purpose where we can make a meaningful contribution to our customers, colleagues and communities.

We champion potential, helping people, families and businesses to thrive.

Our strategy is to deliver on Our Purpose and drive sustainable returns to shareholders through four strategic priorities.

We support our customers at every stage of their lives by being more relevant to them and by building deeper relationships as we evolve our propositions to meet their needs throughout their lives

Why NatWest (cont'd)

Customer centric

We are closely connected to our 19 million customers across the UK and Ireland through a comprehensive range of banking and financial services, and a strong local and regional footprint

During this period of economic uncertainty and disruption, we have stepped up to support our customers in faster, more personal and digitally enabled ways:

Launched new features to make banking online fast and simple – whether its stopping cheques, opening additional accounts or other common activities

Developed Cora, our AI assistant, to complete everyday banking tasks and help with crucial Covid and lending queries

Provided security education, webinars and resources to help businesses stay safe in changing times and adapt to new ways of working

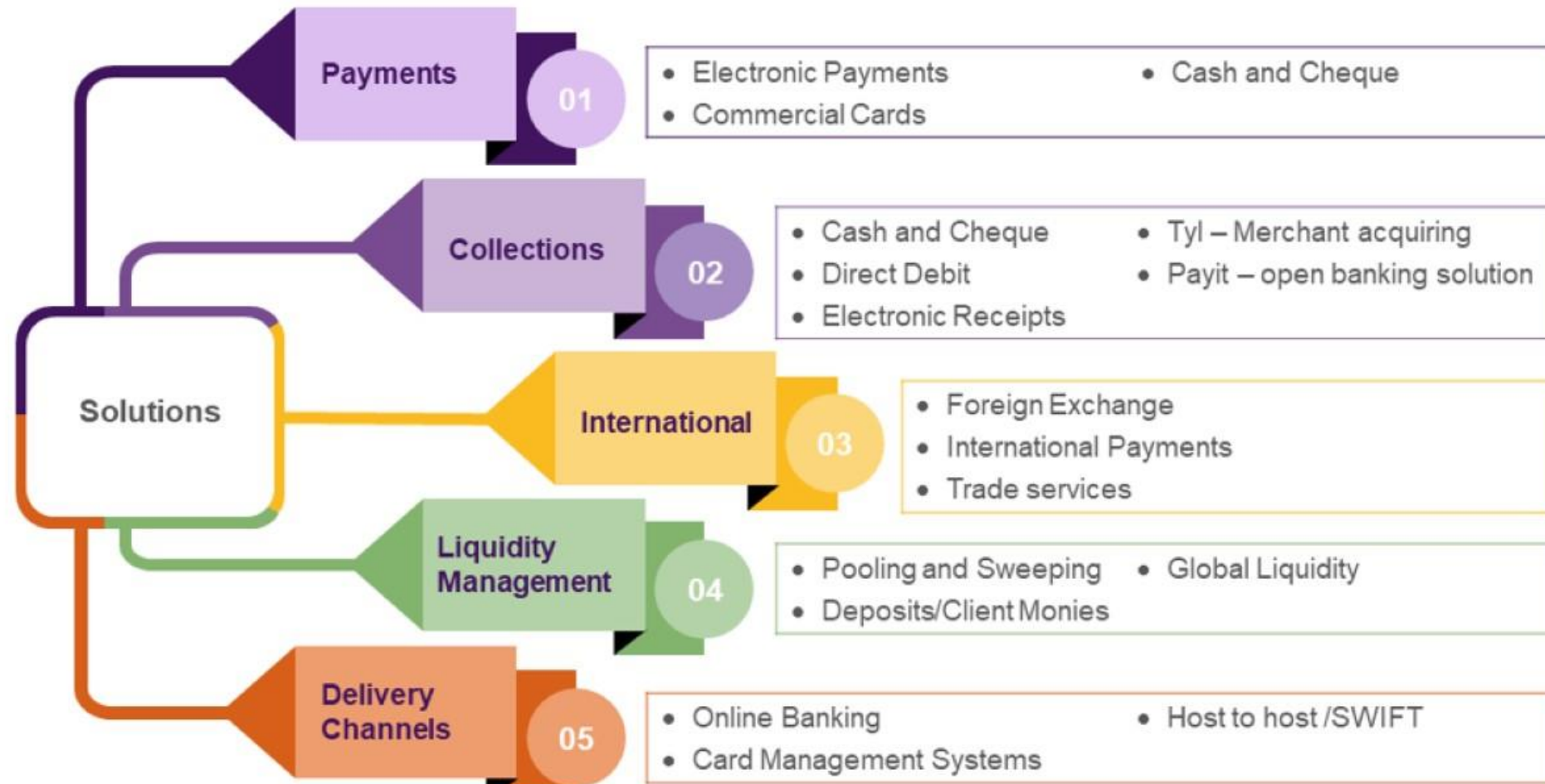
We have a regular cycle of updates and a dedicated digital team working on continually refining and developing our digital services in line with what our customers tell us they need

Guided by our purpose and strategy, we have the proven intent and means to deepen our customer relationships, grow our business, balance the needs of all our stakeholders, and drive long-term, sustainable returns for our shareholders. We know relationships run deeper than transactions and that we need to consider the interests of all our stakeholders.

Providing innovative award winning solutions

	Winner Best third party provider 2021	 Winner Best innovation in the SME Finance Sector		Winner Best Trade Finance Bank' in the UK for 2020
	Winner Best initiative in Mobile Payments	 Winner Innovation Frontier Award		Winner Best Open Banking Strategy 2020

Why NatWest (cont'd)



Business Builder

A free, virtual tool to support
early-stage and established businesses

Document Classification: Public



What's on offer?

Business Builder is a completely free online tool which is entirely self-serve and can be accessed 24/7 through the dedicated online portal. Designed to support entrepreneurs and business owners to upskill and develop themselves and their business at a time and pace that suits them.

Users can access a blended programme of support consisting of three key pillars;

Digital Learning

A growing library of action-focused digital learning, catering for a wide range of business needs and learning styles, so individuals can consume the most relevant learning to them.

Online Community

Supporting users to expand their local and national network through our dedicated Facebook community and access peer to peer support, update and thought leadership relevant to them.

Wrap Around Events

Enhancing the digital learning, our expert team run a calendar of immersive, online events and workshops to upskill users, bring the community together and facilitate key areas of development.

Supporting UK Businesses to Start, Scale and Succeed

Who's it for?

Business Builder has been developed to support businesses and entrepreneurs at all stages (whether just starting out or an established business looking to make a change). It's completely free and you don't even have to be a NatWest customer to join.

Business Builder supports:

- **Idea validation** – helping users to explore and validate of new business ideas or pivot their existing business
- **Business essentials** – giving users the knowledge, tools & techniques to put the business processes in place
- **Entrepreneur development** – helping users to develop themselves at the same time as their business
- **Growth strategies** – supporting users to put sustainable growth plans in place, identifying risks and opportunities

Let's go into a bit more detail...

Supporting UK Businesses to Start, Scale and Succeed



Digital Learning



Users have access to a growing library of digital learning covering a range of topics from Revenue Streams, Customer Segments through to Self Awareness and Mindset.

Each module is made up of several video chapters, giving users some theory, practical tools and real life experience from business owners who have been there and got the t shirt.

Entrepreneurs can download PDF workbooks for each module to implement the learning into their business through activities, tools and key actions.

And to keep users on their toes, there is also a quick quiz at the end of each chapter to test their knowledge.

Supporting UK Businesses to Start, Scale and Succeed

“ I would recommend any early stage business owner to sign up to it ”

Sam Patchitt, CEO, Finstant



Understanding your finances

37mins



Revenue streams

40mins



Cost structure

36mins



Financial management

34mins

Online Community



“ It has already become a supportive network of ideas and help for my fledgling business, particularly at this challenging time ”

Caroline Phillips-Urch,
CEO, The Yoga Crow

Our dedicated Facebook community helps users to expand their local and national network.

With regular Q&A sessions with our Business Builder Managers and bitesize content, giving users the chance to ask questions, share challenges and interact with fellow entrepreneurs and businesses right across the UK.

We have a thriving and diverse community of thousands of entrepreneurs from multiple sectors, backgrounds and skill sets helping users to connect with the right people at the right time. No matter whether they're looking to upskill, get feedback, engage with new people or simply observe, you could find it via the community.

Supporting UK Businesses to Start, Scale and Succeed



Wrap Around Events



Business Builder events are designed to support and challenge users to develop the right foundations for their business; whether that's how to write a great pitch, how to define their Business Model or navigate through a changing environment.

Each 60-minute event is tailored to meet a specific business need, offering attendees an opportunity to upskill in the company of other like-minded business owners, share experiences, and work through individual and group exercises to implement the learning into their own business.

Each series of events run on a five week cycle so users can attend the events that are most relevant to them at the time.

Supporting UK Businesses to Start, Scale and Succeed

“ Business Builder has really propelled us to where we are today ”

Kaitlin Fritz, CEO, Musemio

Mindset

The Power of Mindset
Whether we realise or not, our mindset shapes everything we think and do, including our business.

Responding to Change
Change is often something we're reluctant to do, especially when faced with circumstances Beyond our control.

Customer

Understanding Your Customer
Understanding your customers is vital to your business being able to operate as efficiently and profitably as possible.

Reaching New Markets
Being able to spot new opportunities is key to your business staying agile and being able to respond to change.

Marketing

Writing a great 60-second pitch
If you haven't got a clear pitch, you could be missing out on opportunities to grow your business.

Managing Unexpected Growth
Effectively managing and forecasting growth is key to building a sustainable and resilient business.

Business Model

Building a Resilient Business Model
Examine the 9 key areas of a business model and talk through the best practises for your business.

Pivoting your Business Model
Embracing a culture of regular research, feedback and learning is crucial to developing a flexible and resilient business model.

Strategy/ Risk

Setting Goals to Keep Growing
Having a plan in place is critical to keeping your business moving forward. In this session we'll look at creating a long-term vision for your business

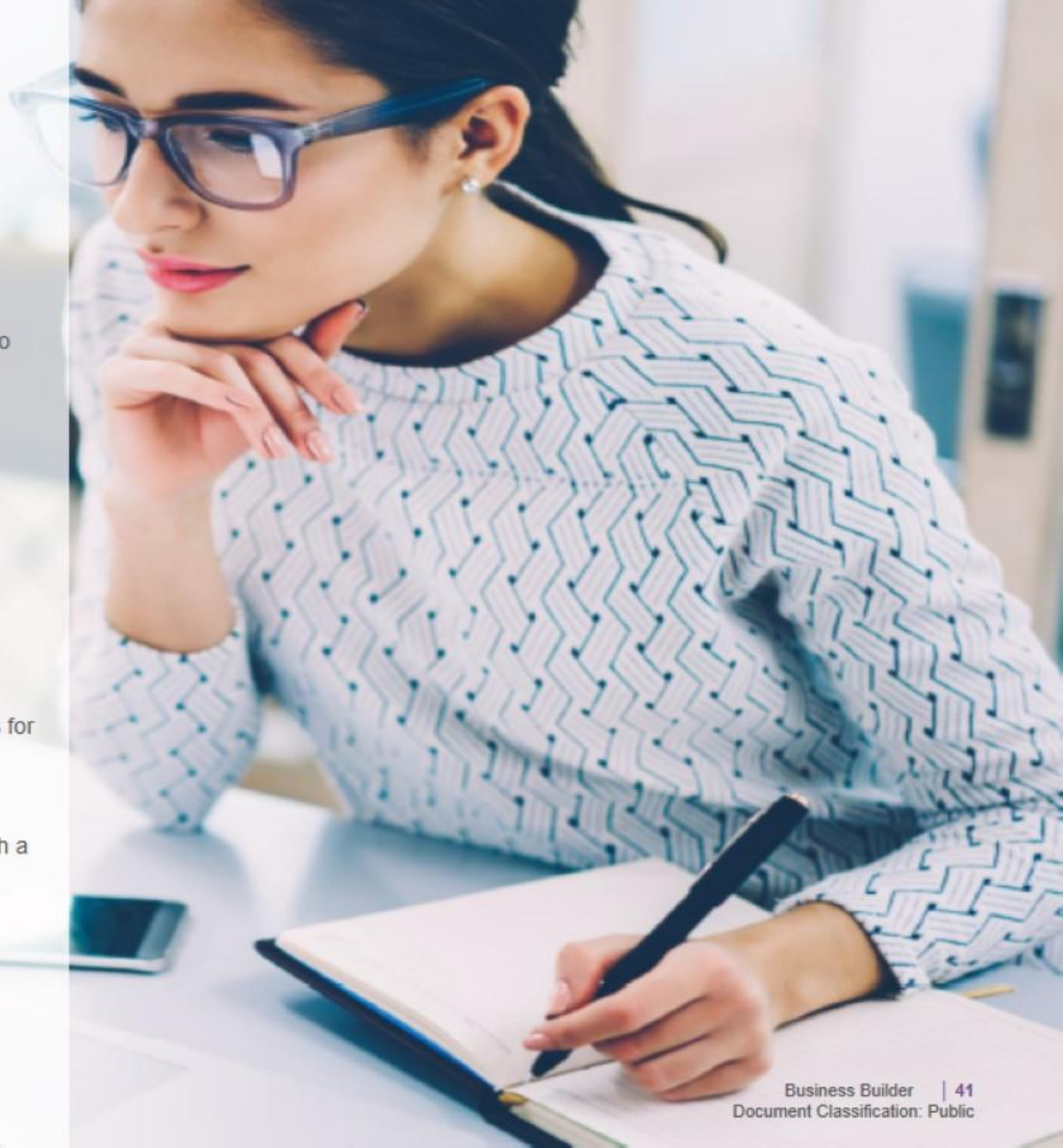
Continuity & Resilience Planning
Building a resilient business is key to weathering any storms that might arise.

Additional Support

Business Builder is a small part of the support that NatWest offers to Businesses both big and small. Through the online portal users can also access additional support that is relevant to them including;

- **Coronavirus Support Hub**
Helping business owners to navigate the Covid-19 support that's relevant to them
- **Business Hub**
Find the latest news, market trends and sector Insights all in one place
- **Business Toolkits**
Access our business toolkits designed to give you the basics for your business
- **Mentor**
Helping businesses to become and remain compliant through a range of HR and Health & Safety tools. *Please note that Mentor's services incur a cost.*

Supporting UK Businesses to Start, Scale and Succeed



Term Loans

Security may be required. Product fees may apply. ANY PROPERTY USED AS SECURITY, WHICH MAY INCLUDE YOUR HOME, MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR OTHER DEBT SECURED ON IT.

Fixed Rate Loan

Overview

- Borrow from £25,001 to £10 million
- Interest rate is fixed for either 3, 5, 7, 10 or 15 years (maximum loan term 25 years)
- Repayment Profiles available are: Capital & Interest, Straight Line and Bullet
- No Early Redemption Charge (ERC)
- Capital Repayment Holiday options available, subject to agreement

Criteria

- Minimum borrowing of £25,001, up to a maximum of £10 million

Benefits

- You are protected from the risk of higher interest rates
- You will have certainty of debt servicing costs for your business
- Being ERC free means there are no charges if you repay the loan early, in whole or in part

Variable Rate Loan

Overview

- A simple way to borrow, with term lengths from three months, up to 25 years, at a variable rate of interest which follows the NatWest base rate
- Repayment Profiles available are: Capital & Interest, Straight Line and Bullet
- No Early Redemption Charge (ERC)
- If interest rates rise, your monthly repayment will increase
- Capital Repayment Holiday options available, subject to agreement

Criteria

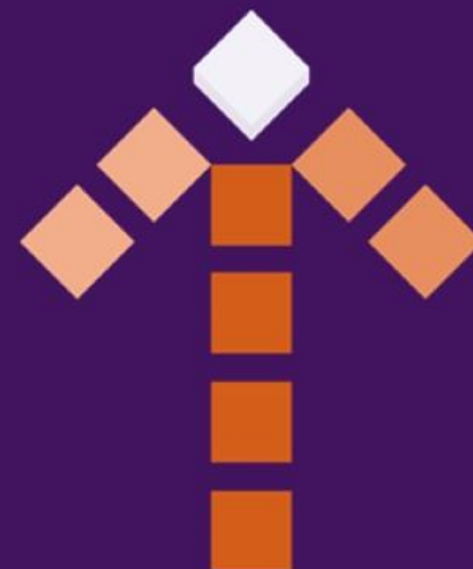
- Minimum borrowing amount of £25,001

Benefits

- If the Bank's base rate falls, your repayments will decrease
- Flexibility to repay loan in whole or in part without an ERC
- Tranche drawdown option available, subject to agreement

Typical use of Term Loans include

- Purchasing of I.T & Office Equipment
- Commercial Property Purchase, Investment & Development
- Business Growth/Expansion
- Debt Consolidation



Overdrafts

Security may be required. Product fees may apply.
ANY PROPERTY USED AS SECURITY, WHICH MAY
INCLUDE YOUR HOME, MAY BE REPOSSESSED
IF YOU DO NOT KEEP UP REPAYMENTS ON A
MORTGAGE OR OTHER DEBT SECURED ON IT.

Overdrafts

Overview

- Facility available for up to a year to manage cash flow gaps and working capital
 - Repayable 'on demand' at the bank's discretion for 'on demand' overdrafts in Commercial Banking. This is different from committed overdrafts provided in Business Banking which are repayable on events of default.
 - Pricing linked to NatWest Base Rate
 - A Currency Overdraft is also available in all major currencies, with pricing linked to the respective NatWest currency lending rate for Customers in Commercial Banking.
 - If you exceed your agreed limit you will be charged an unarranged borrowing rate and be subject to unpaid/paid fees
-

Criteria

- Turnover of GBP2 million+
 - Credit approval required and subject to annual review
-

Benefits

- Aids cash flow management and seasonal fluctuations in trade
-



NatWest Rapid Cash



Customer Need	Ways Rapid Cash can help
<p>“I need to manage cashflow and save money”</p>	<ul style="list-style-type: none"> • Allows instant access to cash tied up in unpaid invoices • You only pay for what you use – no exit or monthly fees for up to £300,000 • The facility enables you to offer flexible payment terms to your customers or take advantage of discounts from suppliers • It can sit in the background to support your cashflow when required • Limits available between £25,000 & £1,000,000
<p>“I need to change the way I serve customers”</p>	<ul style="list-style-type: none"> • It gives you the flexibility to offer credit terms to your customers, and/or offer amended payment terms • Allows you flexibility to help pay suppliers • It gives you the confidence to pivot into new markets or supply new customers • Funds to buy stock, machinery, or pay suppliers early for a discount
<p>“I’ve won a new contract and need cash quickly”</p>	<ul style="list-style-type: none"> • Additional affordable funding, without having to seek expensive alternatives • Provide more working capital to service existing borrowing • Option to refinance existing borrowing to free up debt service cover • Debt service costs are not a feature of our credit underwriting and our limit is not part of bank aggregation
<p>“I need support quickly”</p>	<ul style="list-style-type: none"> • Customers can self serve via our website and apply online • Customers can secure a decision within as little as 48 hours • Free cash tied up in your sales ledger for up to 85% of the value • Assisted sales journey makes it simple for customers to secure the facility

Case studies:








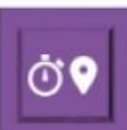
Supporting vital industries:
 £175,000 facility for manufacturer of PPE, supplying wholesalers who sell into NHS. From lead to funds within 48 hours.

Enabling a business to Pivot:
 £100,000 facility for wholesale bakery based in London, to help them adopt a new business model during COVID-19 pandemic.

Helping customers manage risk:
 £150,000 facility for Haulage company based in Oldham, which has prevented them having to put their family home up as security.

MentorDigital.

The new way to manage your HR

 <p>Stay compliant Get alerts when the law changes</p>	 <p>Stay ahead Get notifications and reminders</p>
<p>Track time off View your company calendar to see who's in and out</p> 	<p>Get smart insights Ask the chat assistant for answers 24/7</p> 
 <p>Entitlement Calculators Calculate minimum wage, holiday & maternity entitlements</p>	 <p>Manage your HR in one place Centralise your employee information</p>
<p>Create policies Manage audit trails and get free templates fast</p> 	<p>Take MentorDigital with you Access anytime, anywhere</p> 

Why choose MentorDigital?

Start streamlining your HR today:
[MentorDigital](#)



Providing the only holistic source of all major grant options across the country
Swoop provides access to available grants that are personalised to business needs

Grant schemes include:

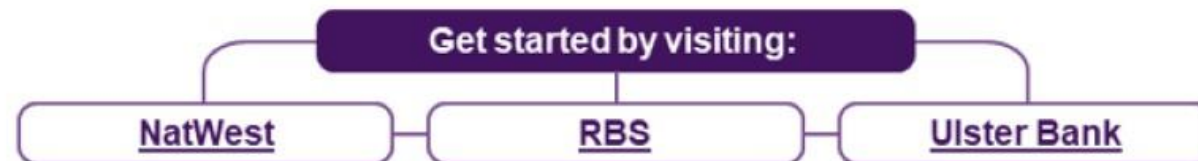
- Local Authorities
- Growth Hubs and LEPs
- National schemes (e.g., Green Scheme, Innovate UK, UKRI)
- Privately funded schemes set up for innovation (e.g., Nesta) or to assist distressed businesses in particular sectors (e.g., PRS)

How does Swoop grant finder work?

Fill in a quick form about your business funding needs. You will be matched against relevant grants available, with **no need to sign up!**

When applying for a grant, you will have the choice of an assisted journey via Swoop or going directly

New grants are constantly being added and some grants may 'close' and 're-open' throughout the year, so it worth checking regularly for grants you may be eligible for





NatWest

We are what we do

Find out more

www.natwestbusinessbuilder.com

Get in touch

businessbuilder@natwest.com

Follow us on



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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.



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Questions

Questions for the panel

Email:

Info@blueorchid.co.uk

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www.blueorchid.co.uk



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Cheshire and Warrington
Local Enterprise Partnership

Access to Finance seminars

Programme of events coming up:

blueorchid.co.uk/a2fevents/

- Today's video available – Finance for Start-ups & Small business
- January - Funding for Growth
- February - R&D Tax Credits
- Tier 1
- March - Cashflow Management
- Growth Finance Planning

blueorchid

www.blueorchid.co.uk



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Blue Orchid Cheshire & Warrington Support

- A2F grant Programme - blueorchid.co.uk/a2fgrant/
- A2F Tender Opportunities blueorchid.co.uk/cwa2ftenders/
- Cheshire West & Chester Investor Grant
www.letstalkbizcw.co.uk/Support/COVID-19-Information/ARG-Business-Support-Projects
- Blue Orchid Access to Finance Events blueorchid.co.uk/a2fevents
- Cheshire Springboard - blueorchid.co.uk/springboard-cheshire/



European Union

European Regional
Development Fund

**Warrington
& Co.**
The partnership for driving growth

CHESHIRE WEST
Let's Talk
business



Cheshire and Warrington
Local Enterprise Partnership

Useful Links

- www.british-business-bank.co.uk/finance-hub/manage-your-business-debt-improve-your-cash-flow-and-get-set-for-growth/
- www.cheshirewestandchester.gov.uk/business/lets-talk-business.aspx
- www.cheshireeast.gov.uk/business/support_for_business/support_for_business.aspx
- www.warrington.gov.uk/business-support

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www.blueorchid.co.uk