

# Regeneration, Community and Culture Overview and Scrutiny Committee

BRIEFING NOTE – No.4/14

Date: 15 May 2014

Briefing paper to: All Members of the Regeneration, Community and Culture  
Overview & Scrutiny Committee

## **Purpose:**

To provide information on the operation of the TIGER scheme in accordance with the request of the Committee on 10 April 2014

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## **Background**

In October 2012, the Government announced an allocation of £20 million from the Regional Growth Fund (RGF) to deliver TIGER (Thames Gateway Innovation, Growth and Enterprise). This followed an application to RGF by Thames Gateway Kent Partnership, the local authorities in North Kent including KCC and Thurrock. The £20 million has been divided between the local authorities according to population share, which gives North Kent an indicative allocation of £15,706,000, 78.53% of the total.

The aim of the scheme is to provide additional support to businesses engaged in high-value activities in North Kent and Thurrock, enabling investment which will lead to higher-value job creation and unlock additional private finance. The scheme provides interest free loans from £15,000 to £2,500,000 representing between 50% and 75% of the investment required.

The £20m must be disbursed to beneficiaries by 31 March 2015. This period is two years shorter than requested in the original application. The overall contracted jobs target is 910 direct full-time jobs, of which 715 are to be delivered in North Kent. This equates to £22,000 loan investment per job.

There are four loan products:

- Capital investment
- Young innovative enterprise
- Innovation and development
- Innovation centres.

## **How TIGER is promoted**

The scheme is promoted to the priority sectors of manufacturing; ICT, software development and information management; media and creative industries; pharmaceuticals and life sciences; technology development; low carbon and environmental goods and services. In October 2013 the Strategic Board gave authority to consider applications from businesses outside the target sectors if supported by their local authority.

The scheme is promoted to Medway businesses in the following ways:

- it is advertised on the Kent County Council website, Medway Council's website and the Innovation Centre website
- a leaflet has been sent out with the Medway business rates notices to 6,500 businesses
- case studies of successful loan applications in every edition of Medway Matters; this has been an effective marketing tool, generating approximately 20 enquiries for business support per edition, and enabling 1-2-1 follow-up by the Economic Development team and partners
- the Economic Development Team compiled a list of businesses in the priority sectors for targeted promotional activities and 1-2-1 contact opportunities
- the scheme is also promoted through Medway's partner business intermediary organisations: Kent Invicta Chamber of Commerce, Locate in Kent, Visit Kent, Business Support Kent, Federation of Small Businesses, banks and others
- promotional events are held regularly: 26 March 2014 in Dartford to showcase successes to date, funding workshop at ICM on 1 April (attendance was poor); 7 May business breakfast at St Georges Centre
- it will be promoted at the 2020 B2B exhibition in May, at the forthcoming IMPRESS business roadshows and at the manufacturing and construction expo in October

## **Progress to date**

Of the £8,117,520 allocated so far to 29 businesses across the TIGER authorities, nine Medway businesses have been awarded a total of £1,179,878, 14.5% of the overall allocation, and 30% of the total number of businesses.

A total of 90 jobs will be created and 48 jobs protected, equating to £8531 cost of loan per job, well below the Government target.

There are ten businesses in the pipeline (i.e pre-applications have been approved), worth a further £3,127,500. If these applications are successful, Medway will be the top performer in terms of loans approved, jobs created and protected, and loan/jobs ratio.

Because the total number of businesses is small, a single large loan can significantly alter both overall averages and comparative values. For example, a loan of £2,499,000 was recently approved for a logistics company in Swale, the largest loan issued so far (the largest up until this point was £400,000).

All applicants are allocated a business adviser to support them through the application process. They may be asked to resubmit applications where there are queries from the approvals panel. Unsuccessful applicants are referred to Medway Council's Partners for Growth scheme, which provides interest free loans of £10,000 on average.

### **Website**

The weblink for the TIGER scheme is <http://www.kent.gov.uk/business/business-loans-and-funding/tiger-loans>

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