



## 2010 Guide to grants for manufacturers

### Grants and Incentive funding opportunities



**UK Manufacturing Industry Group**

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# Making the most of available benefits

There are literally hundreds of millions of pounds available on an annual basis to support the development of business in the UK. However, it can be difficult to identify the appropriate scheme, the key drivers behind the scheme and the chance of success as schemes are frequently discretionary. To start this process you need to be able to define your investment plans.

## Grant support - Could I be eligible?

The starting point is to consider your medium-term investment plans. For example, do your three-year plans involve investment in one or more of the following areas:

- Capital expenditure: plant and machinery, fixtures and fittings, land and buildings
- Personnel: the recruitment, training and/or development of staff
- Research and development: the development of new products or services, either on your own or with third parties
- Business improvements: efficiency improvements, energy efficiency, carbon footprint reduction etc

If so, there may be an opportunity to secure support towards your investment plans provided no contractual commitment has been made to your project.

## Why Deloitte?

We are one of the world's leading international business advisory practices, working successfully with a wide range of private and public clients to help them achieve their objectives. We have an experienced team of specialists who are dedicated to working in this arena.

The philosophy at Deloitte is to provide objective, realistic and practical business advice. Our role is to help operations grow and maximise their potential by taking advantage of available benefits.

Our UK practice has more than 17 years experience working with companies to help them secure grant towards their investment plans. We have a 100% success record on UK grant applications throughout this period. Members of our team have spent time seconded to some of the key grant awarding bodies.

Our UK dedicated team works with a team of more than 100 grant consultants spread throughout Europe. We also regularly work to explore and support grant applications on a Europe-wide basis.

# The opportunities

## The schemes

We have prepared a high-level introductory guide to some of the main grants and incentives available in the UK. We have summarised these in categories related to:

Investment type	Location eligibility	Note
1. Research and Development (R&D)	UK-wide	A major source of grant funding available via direct company support or collaboration with one or more partners.
2. Investment projects	Generally location specific	Support to encourage employment and investment.
3. Staff training	UK-wide	Support to help staff gain new skills.
4. Energy efficiency	UK-wide / Regional	Support to help reduce carbon footprint.
5. General business support	UK-wide	Other programmes of business support.

# 1. R&D incentives

	Scheme	Description	Level of grant / funding available	Notes
Direct funding	<b>Carbon Trust - Applied Research Grants</b>  <i>Next round of funding: - 12 Apr 10 - 10 Jun 10</i>	Development and commercialisation of technology with the potential to reduce UK CO <sub>2</sub> emissions.	Grants of between £50,000 and £500,000 which can cover up to 60% of eligible project costs.	Any UK business, university, public sector or voluntary organisation may apply for a grant.
	<b>Technology Strategy Board</b>  <i>Feasibility Studies and Fast Track Projects</i>  <i>In hi-tech areas such as:</i> - Advanced Materials - Nanotechnology - ICT - Biotechnology - Digital Vision	Various competitions including feasibility studies, pilot and fast track projects: • in the prioritised technology areas • that contain an element of technology innovation; and • where the funding will be spent in-house  Primarily designed for small and medium-sized enterprises (SMEs), although some are open to industry-led consortia.	Funding depends on the nature of the study.  Budget is typically a total of £3-£4 million to invest in feasibility studies and projects lasting up to one year.  Funding up to 75% of the project cost (maximum of around £100,000).	This is a new initiative by the Technology Strategy Board to stimulate R&D in SMEs.  Please see Appendix 3 for the definition of SMEs.  <i>Note: Programmes not all currently open.</i>
	<b>Department for Business, Innovation and Skills (BIS) - Grant for Research and Development</b>  <i>Scheme currently open - no deadline</i>	Grant for single company R&D project.  Funding includes grants for pre-production prototypes.	Grant levels for the various strands are: • <b>proof of market projects:</b> £5,000 - £20,000 (60% of costs) • <b>micro projects:</b> £5,000-£20,000 (45% of costs) • <b>research projects:</b> £20,000 - £100,000 (60% of costs) • <b>development projects:</b> £20,000 - £250,000 (35-40% of costs) • <b>exceptional projects:</b> up to £250,000 for research and £500,000 for development (60% for research and 35-40% for development).	Scheme mainly open to SMEs but there can be exceptions.  Depending on location the maximum grant award could be increased to £1 million.

# 1. R&D incentives (continued)

	Scheme	Description	Level of grant / funding available	Notes
Direct Funding (Cont.)	<b>Yorkshire Forward Industrial R&amp;D Awards</b>	R&D grant for large companies in the Yorkshire & the Humber region in support of industrial research and pre-competitive development project.	£24.2 million of funding between 2008 to 2013  Funding levels: • industrial research – 50% of project cost • pre-competitive development – 25% of project cost	Project must have a cost of between £650,000 and £2.5 million.
	<b>Innovation Grants – SMART: Scotland</b>	Financial assistance to SMEs to help support projects which represent a <b>significant technological advance</b> for the UK sector or industry concerned. The programme can provide grant assistance to support: • technical and commercial feasibility studies • research and development	<ul style="list-style-type: none"> <li>• Feasibility studies: up to 75% of project costs. Maximum of £70,000 grant</li> <li>• R&amp;D projects: up to 35% of project costs. Maximum of £600,000 grant</li> </ul>	Available in Scotland only.
UK collaborative	<b>Technology Strategy Board</b>  <i>Integrated Delivery programme open Feb 2010 - Additional funding announced for <b>Ultra Low Carbon vehicle technology</b> and supply network development</i>  <i>This project is an example. Others are announced during the year.</i>	A collaborative R&D competition with up to £19 million available to invest in innovative, industry-led projects in the field of low and ultra low carbon vehicle development and demonstration.	Funding levels: <ul style="list-style-type: none"> <li>• 25% for experimental development</li> <li>• 50% for applied R&amp;D and 75% for industry-orientated research.</li> </ul>	Biannual application process.  Typical project will have a two to three-year duration and would secure grant of between £500,000 and £1 million.  Details of consortia eligibility to be announced Jan 2010.  Competitions are announced during the year, and run for around three months.

# 1. R&D incentives (continued)

	Scheme	Description
<b>UK collaborative</b>	<p><b>Advantage Niche Vehicle R&amp;D Programme</b> (West Midlands)</p> <p><i>Scheme currently open</i></p>	<p>This programme provides support and grant funding to groups of companies active in the niche vehicle sector, particularly in the West Midlands region. It promotes the development and application of new technology to take advantage of the increasing market opportunities for lower carbon vehicles, especially:</p> <ul style="list-style-type: none"> <li>• Reduction in carbon emissions and increased fuel efficiency</li> <li>• Vehicle weight reduction using recyclable materials</li> <li>• Adoption of advanced electronic systems</li> </ul> <p>The programme aims to bring together independent vehicle manufacturers, system suppliers, specialist automotive technology companies and universities to collaborate on the innovative application of these technologies where they are applicable to low-volume vehicle production.</p> <p>The programme is being managed by Genex - the UK's first Centre of Excellence for low-carbon and fuel cell technologies and has a budget of £2.5 million.</p>

# 1. R&D incentives (continued)

	Scheme	Description	Level of grant / funding available	Notes
<b>EU collaborative</b>	<p><b>European Commission - FP7</b></p> <p>There are currently several calls open in:</p> <ul style="list-style-type: none"> <li>• Clean sky technologies (such as green engines, aircraft and ecodesign)</li> <li>• Innovative medicines</li> <li>• ICT (in robotic systems, digital library and virtual human physiology)</li> <li>• Nanosciences, nanotechnologies, materials and new production technologies</li> <li>• Nuclear fission and radiation protection</li> <li>• ERC Advanced Investigators (in physical, social and life sciences)</li> </ul> <p><i>Note: Calls are constantly updated.</i></p>	<p>The FP7 programme is the EU's main instrument for funding research in Europe and will run until 2013 with a budget of over €50 billion.</p> <p>Funding is available in a wide range of areas including:</p> <ul style="list-style-type: none"> <li>• Nanosciences and nanotechnologies.</li> <li>• Materials - using the latest technology for new products and processes.</li> <li>• New production - creating conditions for continuous innovation and for developing generic production 'assets'.</li> <li>• Integration of technologies for industrial applications.</li> </ul>	<p>€53 billion ( between 2007-2013).</p> <p>This is the largest source of grant funding available in Europe. It can cover 50% of R&amp;D costs.</p> <p>The level of funding can increase to 75% for SMEs.</p>	<p>Requires a minimum of three partners from three different EU countries (and often involves larger numbers of participants).</p> <p>Please see Appendix 3 for the definition of SMEs.</p>
<b>EU collaborative</b>	<p>Eurostars - Run by FP7 and EUREKA</p>	<p>The project can address any technological area, but must have a civilian purpose and be aimed at the development of a new product, process or service.</p> <p>It must have a maximum duration of three years and, within two years of completion, the product should be ready for launch onto the market.</p>	<p>Funding is available for SMEs only.</p> <p>50% of eligible costs can be funded to a maximum of €350,000.</p>	<p>Must involve at least two entities from two different EU countries.</p> <p>At least 50% of the project's core activity must be carried out by SMEs.</p>

# 1. R&D incentives (continued)

	Scheme	Description
<b>Tax Incentives</b>	<b>R&amp;D Tax Relief</b>	<p>The costs incurred in the design and development of new or improved products, packaging, production processes and software may be eligible for R&amp;D tax relief. Any development work where your personnel face considerable technological challenge has the potential to qualify.</p> <p>This scheme is available to companies of all sizes and can include a claim for eligible expenditure already incurred (subject to time limits).</p> <p>The benefit takes the form of:</p> <ul style="list-style-type: none"> <li>•Large companies - an additional tax deduction calculated as 30% (25% for costs incurred prior to 1 April 2008) of qualifying revenue costs – providing a net tax benefit of 8.4% for profitable companies</li> <li>•SMEs – an additional deduction of 75% (50% for costs incurred prior to 1 August 2008), providing an enhanced benefit of up to 21% of qualifying costs, with a cash-back credit of up to 24.5% for loss-making SMEs</li> </ul> <p>Note: From 1 August 2008, the criteria for qualification as an SME doubled to include companies with less than 500 employees and turnover not exceeding €100 million or net assets of €86 million.</p>
<b>Loans</b>	<b>BIS - Automotive Assistance Programme (AAP)</b>	<p>The primary aim of this package is to support the continued delivery of investments that will create or sustain jobs, develop cutting-edge technology, bring special value to the UK, reduce CO<sub>2</sub> emissions and maintain R&amp;D in UK vehicle manufacturing.</p> <p>This scheme provides a loan guarantee facility of up to 75% in order to help companies in the automotive sector to secure EIB or non-EIB lending.</p> <p>Projects must be for a minimum value of £5 million. There is no upper limit on the amount for which a company can apply.</p> <p>The Government will charge an appropriate fee or interest rate to reflect administrative costs and expected risk involved, and with the aim of ensuring that the Government achieves good commercial value.</p>

## 2. Investment projects

	Scheme	Description	Level of grant available	Notes
<b>Grants</b>	<b>GBI (in England)</b> <b>SIF (in Wales)</b> <b>RSA (in Scotland)</b> <i>Open call</i>	<p>Direct grants to support project costs in specific areas of the country, including most regional capital cities (see map at Appendix 2).</p> <p>Projects must involve the creation or safeguarding of employment and some associated investment cost (e.g. capital expenditure and/or property lease).</p> <p>This is the principal grant scheme used by the government to encourage private sector investment.</p> <p>The scheme has an annual budget of £400 million.</p>	<p>Minimum grant amount of £10,000, no maximum.</p> <p>SMEs may be able to secure grant regardless of location - even in a non-assisted area a medium-sized company can claim 10% of costs and a small company 20% of costs.</p> <p>If the SME is in an assisted area, this grant amount can be up to 50% of eligible project costs.</p> <p>Large companies must be in an assisted area, and can secure 10-30% of eligible costs, depending on location.</p> <p>(See Appendix 2 for % available by location).</p>	<p>This is not a competitive call and applications can be made throughout the year.</p> <p>A very flexible grant scheme that can be used to assist projects ranging from back-office support and manufacturing, through to research and development facilities.</p> <p>A need for grant has to be demonstrated.</p> <p>Deloitte has considerable experience helping clients access this type of grant funding.</p>
	<b>SIF (Wales)</b> <i>Open call</i>	<p>Included within the SIF scheme above, fast-track assistance is available for small and medium sized enterprises in Wales that need financial support of between £5,001 and £75,000 to carry out capital investment projects. This type of grant does not require the creation or safeguarding of jobs. For example, this may be able to support a project involving business improvement initiatives which reduce cost or improve efficiency.</p>		

## 2. Investment projects (continued)

	Scheme	Description	Level of grant available	Notes
<b>Grants (continued)</b>	<b>Infrastructure Grant Programme (UK)</b>  <i>Deadline: 30 July 2010</i>	<p>The programme is run by Cenex - Centre of Excellence for low carbon and fuel cell technologies.</p> <p>Under the programme, grants are available to help towards the cost of installing alternative refuelling or recharging stations for alternative fuels.</p> <p>The programme (funded by the Department for Transport) aims to cut carbon dioxide and air pollutant emissions, as well as reducing dependence on fossil fuels.</p> <p>Examples of alternative fuels include hydrogen, electricity for electric vehicles and natural gas/biogas.</p>	<p>Grant of up to:</p> <ul style="list-style-type: none"> <li>• 50% of the eligible cost is available for natural gas/biogas and hydrogen dispensing equipment</li> <li>• 50% of the eligible cost is available for electric recharging points</li> </ul>	<p>Firms of all sizes are eligible to apply.</p> <p>The scheme is open to private and public sector organisations.</p> <p>The refuelling station must be open for third party access.</p> <p>The refuelling site must be based in the UK.</p> <p>This is a competitive call and is subject to available fund allocations.</p>
<b>Freight Facilities Grant</b>	<b>Department for Transport; Welsh Assembly Government; Scottish Executive</b>	<p>Freight facilities grants (FFGs) offer cash incentives for businesses to take freight off congested roads and move it on to rail or water, which can often be more expensive than road transportation.</p>	<p>50% of eligible capital costs (such as rail sidings, handling equipment and wharfs).</p> <p>The amount of grant offered will be limited to the lower of:</p> <ul style="list-style-type: none"> <li>•The value of the environmental benefits (the tonnage/lorry miles that are removed from the roads)</li> <li>•The need for grant as demonstrated by financial appraisal (the extra financial cost to use rail/water over that of road transport)</li> </ul>	<p>The scheme has been withdrawn from the North West of England.</p> <p>There is also support available for ongoing operating costs of using rail and water as transportation instead of rail.</p>

## 2. Investment projects (continued)

	Scheme	Description	Level of grant available	Notes
<b>European Loans</b>	<b>European Investment Bank (EIB)</b>	<p>The bank is funded through the European Commission and can help finance projects of major importance to Europe, including:</p> <ul style="list-style-type: none"> <li>• Projects of a magnitude that are hard to finance (e.g. infrastructure and generation projects including renewables)</li> <li>• Projects with higher risks which makes traditional financing difficult</li> </ul>	<p>Loans can be up to 50% of the investment cost, with a minimum loan of €20,000.</p> <p>Loans below €50 million are funded within country. Those for more than €50 million are handled centrally by the EIB.</p> <p>Loans are available at a discounted rate. The discount will depend on the credit rating of the applicant.</p>	<p>Applicants must be private or public enterprises.</p> <p>Loans can be used in conjunction with grant aid.</p> <p>The bank has a number of schemes aimed at the manufacturing sector and SMEs.</p>
<b>Regional Loans</b>	<b>Various regional schemes for SMEs</b>	<p>Various loan packages are provided across the regional development agencies offering loans to SMEs for :</p> <ul style="list-style-type: none"> <li>•growth</li> <li>•transition (short-term between finance) and</li> <li>•accelerator growth (extra funding if targets are met)</li> </ul>	<p>Amounts vary between agencies, but loans can be obtained for up to £250,000.</p>	<p>Loans vary between development agencies.</p> <p>Generally the loans are on commercial terms, and are for companies that would find it difficult to obtain funding from other sources.</p>

### 3. Staff training

	Description
<p><b>National Train to Gain</b></p>	<p>Through schemes such as 'Train to Gain' all businesses can access:</p> <p><b>Full funding for:</b></p> <ul style="list-style-type: none"> <li>• basic skills support at all levels</li> <li>• first full Level 2 qualifications (equivalent to 5 GCSEs) and</li> <li>• first Level 3 qualifications (equivalent to 2 A-levels) for 19-25 year-olds</li> <li>• some first Level 4 qualifications for 19-25 year-olds who do not already have a Level 3</li> </ul> <p><b>Partial funding for:</b></p> <ul style="list-style-type: none"> <li>• English for Speakers of Other Languages qualifications at all levels</li> <li>• Apprenticeships</li> <li>• Support towards the costs of leadership and management development for businesses with between 10 and 250 employees</li> </ul> <p>Funding is managed at a regional level through the use of skills brokers whose services are free of charge.</p> <p>The Government supports apprenticeships in sectors such as the automotive industry. Apprenticeships are based on training from a national framework designed by employers for employers to meet the needs of individual sectors. There are over 160 occupational frameworks, which cover more than 80 different industry sectors ranging from management to manufacture, engineering to care and IT to hospitality.</p>
<p><b>Regional ProAct Scheme (Wales)</b></p>	<p>ProAct aims to help businesses in Wales cope with the downturn, and develop staff skills ready for the upturn. The scheme provides training for employees who are on short-time working, and helps businesses to keep skilled staff who may otherwise be made redundant. ProAct is flexible, but broadly offers:</p> <ul style="list-style-type: none"> <li>• up to £2,000 per individual towards training costs</li> <li>• a wage subsidy of up to £2,000 (at a rate of £50 a day) per individual whilst this training is being undertaken</li> <li>• free one-to-one expert advice to help create a ProAct Training plan</li> </ul>

## 4. Energy efficiency

	Scheme	Description
<b>National Carbon Trust</b>	<b>Energy efficiency loans</b>	<p>Interest-free business loans to companies to invest in energy-efficient projects and equipment. £3,000 to £100,000 is available to:</p> <ul style="list-style-type: none"> <li>•SMEs with the project site based in England, Scotland or Wales</li> <li>•Larger businesses can also apply if they do not qualify for participation in the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme. As a guideline, the CRC Energy Efficiency Scheme typically includes businesses with an annual electricity spend greater than £500,000</li> <li>•All companies with the project site based in Northern Ireland (in Northern Ireland the maximum loan available is £500,000)</li> </ul> <p><i>The loans are unsecured, interest-free and repayable over four years. There are no arrangement fees.</i></p>
	<b>Carbon Trust Advice</b>	<p>The Carbon Trust offers products and services to help accelerate the move to a low-carbon economy by developing commercial low-carbon technologies and working with business and the public sector to reduce carbon emissions.</p> <p>Advice is available for all companies, not just those in the energy sector, including:</p> <ul style="list-style-type: none"> <li>•Carbon Surveys - help to identify energy-saving opportunities and provide practical advice on how to achieve them</li> <li>•Building Design Advice - New-build and regeneration projects that are over 2,500m<sup>2</sup> may be entitled to free or subsidised design and construction consultancy</li> <li>•Strategic and Practical Energy Management – introduces energy management at a strategic level and puts it in a business context</li> <li>•Partnerships – with companies in your sector to share learning and transfer skills</li> <li>•Sector and technology advice – online tool to develop an action plan</li> </ul>
	<b>Venture capital</b>	<p>Invests in early stage technologies with the ability to create and develop low-carbon businesses. The Carbon Trust will provide up to 50% of the funding but typical investments are between £250,000 and £3 million.</p>
<b>National Department of Energy &amp; Climate Change, Carbon Trust and HMRC</b>	<b>Enhanced Capital Allowances (ECAs)</b>	<p>ECAs are a straightforward way for a business to improve its cash flow through accelerated tax relief. The ECA scheme for energy-saving technologies encourages businesses to invest in energy-saving plant or machinery.</p> <p>The scheme provides businesses with 100% first-year tax relief on their qualifying capital expenditure (these are specified by the scheme). It allows businesses to write off the whole cost of the equipment against taxable profits in the year of purchase.</p>

## 4. Energy efficiency (continued)

	Scheme	Description
<b>Regional Department of Energy &amp; Climate Change</b>	<b>Bio energy capital grant scheme - England only</b> <i>Note: Funding recently closed but further funding may be available later in the year.</i>	<p>Funding is available to support the installation of biomass-fuelled heat and combined heat and power projects in the industrial, commercial and community sectors. Funding can cover up to 40% of the difference in cost of installing the bio-mass plant compared to installing the fossil fuel alternative. The maximum award is £500,000 per installation and applications covering several installations can apply for up to £500,000 for each installation.</p> <p><i>Note: this is competitive funding with a collective fund of £4 million available.</i></p>
<b>Regional WRAP - (Waste &amp; Resources Action Programme)</b>	<b>Wales SME Recycling Support Grant Scheme</b> <i>Closing date - 31/03/2011</i>  <b>AWM 200 - West Midlands</b> <i>Closing date - 31/03/2011</i>	<p>WRAP Cymru has launched a grant scheme designed to significantly increase recycling rates in Wales by providing financial support to organisations which are able to offer specialist recycling services for Welsh SMEs.</p> <p>If you are a new or existing provider of recycling services based in Wales, and you want to expand your recycling service to new areas, customers or materials within Wales, then you are eligible to apply to the fund.</p> <p>Grants can support up to 30% of capital expenditure (and initial promotional costs) of a project, with funding available of up to £50,000 per company.</p> <p>AWM 200 support includes grant funding of up to 50% for West Midlands businesses which are investing in new or expanded commercial and industrial waste capacity. Grants of up to €200,000 are available for capital costs to collect, recycle or reprocess commercial and industrial waste from the region.</p>
<b>Regional North West Regional Development Agency</b>	<b>Grant for Improving Resource Efficiency</b>	<p>Grant for Improving Resource Efficiency provides support for businesses undertaking capital investment projects which contribute to reducing CO<sub>2</sub> emissions and generate wider environmental benefits in the region.</p> <p>Maximum support is 50% of project costs up to a maximum of €200,000.</p> <p>For SMEs in the North West.</p> <p><i>Note: To be eligible, the business must have been unable to access funding through the carbon trust interest-free loan scheme.</i></p>

## 5. General business support

	Description
<b>Enterprise Finance Guarantee (EFG)</b>	<p>The Enterprise Finance Guarantee is a guarantee facility available for small businesses in the UK with an annual turnover of up to £25 million. The scheme is aimed at improving the availability of working capital through term loans and the consolidation of overdrafts. It will also support lending for business growth and development in cases where a sound proposition may otherwise be declined due to a lack of security. The scheme replaces the Small Firms Loan Guarantee scheme.</p> <p>Up to £1.3 billion of new bank lending is guaranteed by the Government. Eligible businesses are able to borrow between £1,000 and £1 million when this would not otherwise have been possible. The guarantee will fund working capital and investment by businesses seeking to grow or develop.</p>
<b>Supplier Credit Finance Facility (SCF)</b>	<p>The Exports Credits Guarantee Department (ECGD) provides the Supplier Credit Finance facility to banks to enable exporters to pass the payment risk on exports to banks. SCF also allows exporters access to finance at preferential interest rates for capital goods or services contracts.</p> <p>Any exporting company based in the UK can apply via its bank.</p> <p>Exporters will be able to offer buyers credit for up to 85 per cent of the contract price, at a fixed interest rate, with payment periods from two to five years. The minimum loan amount is £25,000 (or foreign currency equivalent) and the maximum amount is discretionary.</p>
<b>Loans and Investment Finance</b>	<p>There are various loan and finance schemes available through the regional development agencies offering finance such as:</p> <ul style="list-style-type: none"> <li>•Business loans at preferential rates (generally up to around £250,000 normally for SMEs only)</li> <li>•Transition (short-term) loans for companies between financing</li> <li>•Investment finance involving an equity stake from venture capital, business angels etc. Up to £2.5 million invested</li> </ul>

# Making the most of available benefits

## How Deloitte can help

We are able to provide support throughout the process. This can include:

- **The grant schemes.** Meeting to understand your medium-term plans for the business, researching and reporting back to you on grant schemes that meet your requirements
- **Advance warning on grant schemes.** Early alerts on specific grant programmes that could meet your needs
- **Grant strategy.** Through our detailed knowledge of the schemes, we are able to provide a clear understanding of the merits of different grant funding routes. Some grant schemes are influenced by size of company and location of the project. We understand what this means in practice
- **The application process.** We understand what the grant providers are looking for and can help you to position the project effectively
- **Meeting the grant providers.** We provide a full hand-holding service that includes pre-meeting briefings and support to help ensure the application proceeds smoothly
- **The grant offer letter.** Finally, once the grant has been awarded we provide advice on the terms and conditions within the final grant offer letter

# The opportunities

There are numerous grant and incentive schemes available for companies in the manufacturing sector. Understanding the grant system requirements and completion of grant applications can be complicated. We have a team available to help.

## **Our Regional Development Services team**

- Has more than 17 years experience accessing grants
- Has a 100% success record on all UK applications over this period
- Works with more than 500 Deloitte grant colleagues to help clients access grants and incentives around the world
- Will help you understand how grants and incentives may be able to help you
- Provides a complete hand-holding service throughout the grant application process

## **Examples of manufacturing project grant successes**

- £13 million for a new car component manufacturing project
- £800,000 in a non-assisted area for a project to develop hydrogen fuel cells
- £400,000 for a defence equipment manufacturing project
- £3 million to set up a new automotive and ICT centre of excellence for R&D
- £2 million for a healthcare company to manufacture medical equipment
- £220,000 to implement a processing facility in a dairy
- £1.3 million for a manufacturing company to set up a shared service centre for its centralised finance, purchasing and HR functions

# Meet our team - Regional Development Services



## **Alistair Davies - Grants and Incentives**

Alistair heads our Regional Development Services Service line. He works with clients to advise on business diagnostic support and on-site selection. He is a Chartered Accountant and has previously spent a year seconded to a division of UK Government where he was responsible for the negotiation and detailed financial appraisal of a wide range of grant applications. Alistair has more than 17 years experience helping clients to tap into available grants and incentives.

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## **Emma Kahan - Grants and Incentives**

Emma is a Chartered Accountant with a manufacturing, telecommunications and energy sector background. She works with a wide range of clients to secure grants and incentives towards their investment plans.

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## **Steve Blacker - Tax Research & Development Services**

Steve is a corporate tax specialist with a particular focus on the manufacturing and financial services industries. Steve has over seven years experience working with large and small clients and has been extensively involved in advising on UK R&D Tax Relief claims and negotiating with HM Revenue & Customs to agree claims.

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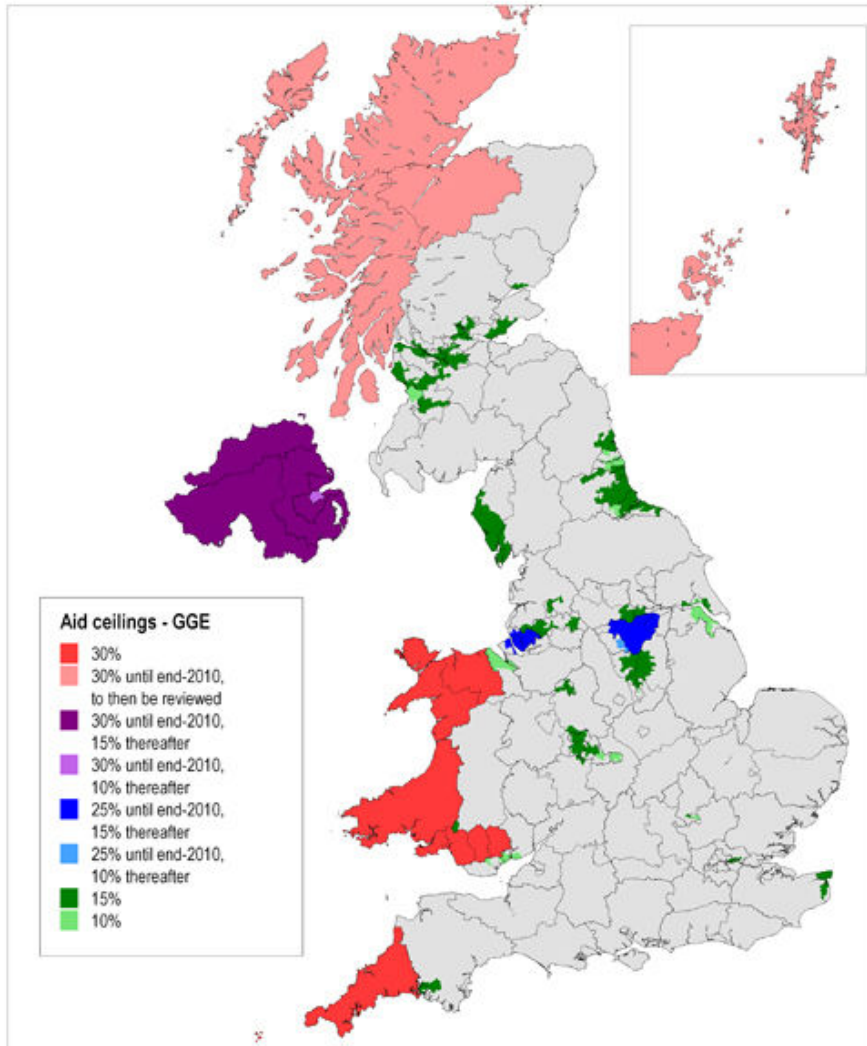
# Appendix

# Appendix 1 - Examples of potential projects

Project examples	Scheme examples
<p><b>Research and development</b> Development of new technologies to either improve the efficiency of an existing product or development of a new one.</p>	<p>There is a wide range of programmes available, including direct grants and tax credits. This is potentially one of the largest pots of funding available.</p>
<p>A company isn't investing in new products but may like to get involved in development programmes.</p>	<p>There is significant funding provided by the EU to support collaborative R&amp;D projects throughout Europe. A company could lead a project or simply become a (minor) partner. This programme can offer grants of up to 75% of eligible costs and helps the company to establish a strong network of companies (and academia) within Europe.</p>
<p><b>Manufacturing</b> Expansion or contraction of capacity.</p>	<p>Depending on location, grant support can be available to support a sustainable business. Even where there is a reduction in jobs, grant can still apply if the absence of the grant means that more jobs could be lost.</p>
<p><b>Energy</b> A manufacturing company wishes to reduce emissions and energy bills by investing in energy-efficient production capabilities.</p>	<p>Depending on the size of your business, grants and interest-free loans up to around £500,000 are available to support energy efficient installations.</p> <p>In addition, tax relief can be claimed against the cost of investment in many energy-saving technologies.</p>
<p><b>Business support</b> A customer contact centre/back-office or shared service centre to support the business.</p>	<p>Grant can be available to support the creation of new or the safeguarding of existing jobs. Grant will be influenced by location but many projects like this are located in towns and cities which offer grants. Grants can be worth £5,000 or more per job.</p>
<p><b>Sales outlets</b> Retail stores to support the business (including car dealerships)</p>	<p>Grant aid can be available to support staff training/development but no grant aid is available to support the investment/fit-out of retail stores (in or out of town).</p>
<p><b>Working capital</b> A company is short of working capital and/or is losing money</p>	<p>This can be challenging. The Government will not want to risk providing finance if there is a serious risk of failure. However, support may be offered if the project also involved a further capital investment and/or capital injection to achieve a turnaround.</p>

# Appendix 2 - Assisted areas (investment grants)

Assisted Areas in Great Britain, 2007-2013  
Aid ceilings, expressed as Gross Grant Equivalents (GGE)



Region	Area	Maximum grant	
		2007-2010	2011-2013
Scotland	Highlands and Islands	30%	20%
	South Ayrshire	10%	
	Angus and Dundee City, Clackmannanshire and Fife, Falkirk, Perth and Kinross, Sterling, South Western Scotland, East and west Dunbartonshire, East and north Ayrshire, Glasgow city, Inverclyde, East Renfrewshire and Renfrewshire, North and South Lanarkshire	15%	
North East	Tees Valley and Durham, Northumberland, Sunderland	15%	
	Darlington, Tyneside	10%	
Yorkshire	South: Barnsley, Doncaster, Rotherham	25%	15%
	Sheffield	25%	10%
	East Riding, North and West Yorkshire	15%	
	Kingston upon Hull, north and NE Lincolnshire	10%	
North West	Merseyside, Wirral	25%	15%
	Greater Manchester	15%	
	Cumbria (west and east), Lancashire	15%	
East Midlands	East/south/west Derbyshire and north/south Nottinghamshire	15%	
	Nottingham	10%	
West Midlands	Stoke-on-Trent, Staffordshire, Birmingham, Dudley and Sandwell, Walsall and Wolverhampton	15%	
	Solihull, Coventry	10%	
	Worcestershire	15%	
East of England	Bedfordshire	15%	
	Luton	10%	
Wales	West Wales and the Valleys	30%	
	Monmouthshire and Newport, Flintshire and Wrexham	10%	
	Powys	15%	
South East	London (inner/outer), Kent	15%	
South West	Cornwall and Scilly Isles	30%	
	Devon (Plymouth)	15%	
Northern Ireland	Belfast	30%	10%
	Outer Belfast, East, West, South and north of NI	30%	15%

## Appendix 3 - SME definition

Micro, small and medium-sized enterprises are defined according to their staff headcount and turnover or annual balance sheet total. In all cases they must comply with the full-time headcount requirement.

A **medium**-sized enterprise is defined as an enterprise which employs fewer than 250 persons and whose annual turnover does not exceed €50 million or whose annual balance sheet total does not exceed €43 million.

A **small** enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed €10 million.

A **micro** enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed €2 million.

If your business owns more than 25% of other businesses, this will need to be taken into account when assessing your SME status.

If your business is more than 25% owned by one or more owners that are not classed as SMEs you may not qualify as an SME (public investment corporations and venture capital companies are exempted from the 25% threshold as are institutional investors provided they exercise no control over the business).

Enterprise category	Headcount	Turnover	or	Balance sheet total
medium-sized	< 250	≤ € 50 million		≤ € 43 million
small	< 50	≤ € 10 million		≤ € 10 million
micro	< 10	≤ € 2 million		≤ € 2 million

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