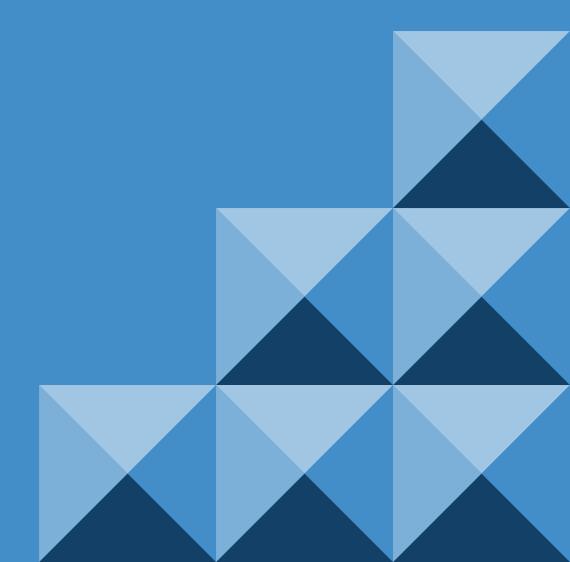






# THE GROWTH MISSION:

A BLUEPRINT FOR SCALING UP SME MANUFACTURERS



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# **Foreword**

A dynamic, successful and thriving manufacturing base is central to improving the UK's growth and productivity performance. However, there are essential steps we need to take to kickstart economic performance – by asking what both government and the sector can do to encourage and facilitate scale-ups and high-growth firms who will deliver that innovation and growth.

What has become obvious is we urgently need to review the landscape of incentives and support for SME manufacturers – and in this survey-led report, we simplify those efforts by focusing on the fundamentals: skills, finance, and trade.

This report sets out to understand what kinds of support are available in the UK for scaling-up and high-growth manufacturing SMEs, and whether they helped companies in achieving that growth. By understanding 'what works, we can offer suggestions on how the overall system of support could be better delivered to support targeted SME growth.

The vast majority of UK manufacturing companies are SMEs. Yet despite the sector's strength as a high-skill, high-wage employer, many SME manufacturers remain constrained in their ability to scale up and achieve their full potential. Some of this is an awareness hurdle. Numerous key public support schemes exist to help businesses adopt new technologies and invest in innovation and yet the survey indicates surprisingly limited awareness of such programmes amongst SMEs.

Despite how ambitious they are for growth, many small companies also do not have the internal resources to identify and understand which types of schemes are relevant to them. While application to approval times can often be time consuming, especially for dynamic businesses. A response should be developed to address those problems head on. The prize is significant. Our projection, based on this analysis, estimates that solving the barriers to accessing finance, addressing awareness barriers, and the inaccessibility of support, could result in the manufacturing sector increasing investment capital and R&D by an additional £9.2 billion. Our solutions are targeted to these challenges.

On people, there is an urgent need for reform across apprenticeships and the skills system. We must radically improve transparency and accountability in skills funding through the transition to the Growth and Skills Levy.

On finance, we should look to introduce a super-growth-allowance (150% capital allowance) for fast growing SMES, so

they have the potential to scale up during their "valley of death" period, the most challenging moment in the business cycle when investment must accelerate to scale up production.

On delivering support itself, we might also learn from the Bürokratt system employed in Estonia, a cybersecure, one-stop shop, for digital public service provision. By using Artificial Intelligence (AI) to leverage the data the ONS and HMRC already collect on UK companies (such as tax returns, employment levels, and industry sector) we can micro target relevant, tailored, information on opportunities and support to companies at the stage in the business cycle and growth journey when it is most relevant to them. This would overcome the communication blockages which have been a barrier to awareness and uptake and could offer a step change in how businesses engage with state services. By providing realtime, data-driven insights, we can ensure that companies receive the right information at the right time, reducing administrative burdens and enhancing decision-making by fostering a more dynamic business environment. This approach would not only improve accessibility to business support resources but also drive increased productivity, innovation, and overall economic growth.

Growth is desirable, achievable, and deliverable through supporting SMEs. While public support has become too complex to engage with for businesses, our survey results urge us to go back to the basics and to provide the sparks that will unleash industrial transformation and economic growth.



# **Key Findings**

#### 1. GREAT AMBITIONS:

Almost 2 in 3 SMEs aspire to grow into large businesses in the next 5-10 years, despite the common myth that many small businesses do not want to grow. If we can harness the ambition of the sector and help manufacturers scale up, we could add approximately £83bn to manufacturing GVA, propelling us to becoming the 7th largest manufacturer in the world by value.\*

#### 2. LABOUR AND SKILLS:

Labour is the top challenge cited by SMEs wanting to grow, including both engineering and leadership skills. The number of apprenticeships starts has declined by 42% since the Apprenticeship Levy's inception, leaving a strong need for reform.

#### 3. ACCESS TO FINANCE:

4 in 5 SMEs say they struggle to access finance during the seed to early growth stages of investment. Solving the challenges to accessing finance could increase UK manufacturing investment by £9.2bn annually.

#### 4. EXPORTING:

Only 22% of manufacturers are direct exporters. SMEs need access to capital and information to increase their exports. By focussing on widening access to export finance, we can help SMEs grow by accessing the world.

#### 5. AWARENESS:

Business engagement with public support is at an all-time low, and a lack of awareness is the greatest barrier to SME engagement. The wealth of data available to the UK Government should be used to micro-target SMEs at exactly the right moment of their growth journey, where they will be most receptive to the types of support they need.



\*Subject to comparative performance remaining unchanged

# RECOMMENDATIONS TO GOVERNMENT

#### **SKILLS**

 Improve accessibility skills funding provision with the transition to the Growth and Skills Levy.

#### DIGITAL

 Provide long-term funding and strategic reinforcement for the Made Smarter Adoption programme to ensure sustained SME engagement in digital transformation.

#### **FINANCE**

- Introduce a super-growth-allowance (150% capital allowance).
- Create an enhanced Growth Enterprise Investment Scheme (GEIS).

#### TRADE

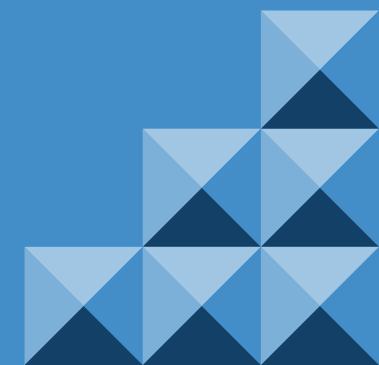
- Introduce an Export Development Scheme to improve access to trade finance.
- Expand Export Finance services to incorporate additional risk management support.

#### **AWARENESS**

- Create a British business version of the Bürokratt software, to pool data collected by bodies including HMRC and the ONS and use it to micro-target support to identified companies.
- Review existing legislation to enable Government to actively use any data at its disposal to micro-target information to businesses, as long as it leads to positive economic benefits.

# RECOMMENDATIONS TO MANUFACTURERS

- SMEs should collaborate more with the education sector, by sharing information to shape future skills needs. In turn, educational institutions must create clear channels that allow SMEs to engage in an accessible way.
- Industry should work together with Government to develop an online platform which pools information on all SME business support to increase engagement with the sector.
- Be open about the challenges you face when growing your business, and actively engage with public support solutions. Regular participation improves the quality of feedback, enabling providers to also improve their support.
- Large manufacturers have a responsibility to help their SME suppliers identify and navigate government bureaucracy and available support schemes. By sharing knowledge and providing guidance, large companies can empower their suppliers to access funding, enhance capabilities, avail of procurement opportunities, and scale up effectively.



# Introduction

Small and Medium-sized Enterprises (SMEs) are the backbone of the UK economy, creating jobs, driving innovation, and contributing to local communities and national economic growth. SMEs represent approximately 99% of all private sector businesses in the UK, and among them, the manufacturing sector plays a particularly vital role. The UK is the twelfth largest manufacturing economy in the world, with the sector contributing around £200 billion in Gross Value Added (GVA) annually. Manufacturing accounts for nearly half of all innovation spend in this country, making it a critical engine for both economic and technological progress. Furthermore, the sector is a high-skill, high-wage employer, with manufacturers paying wages that are 9% higher than the average for the rest of the economy¹.

Despite these significant contributions, many SME manufacturers remain constrained in their ability to scale-up and achieve their full potential. SMEs account for 60% of the UK's employment and 52% of turnover value, yet a smaller subset of these businesses — often referred to as "scale-ups" — account for most of that activity.

The OECD defines scale-ups as businesses that grow by 20% or more over three consecutive years. These especially fast-growing firms are crucial to economic prosperity but building more scale-up businesses presents a significant challenge from a policy perspective: effectively targeting support to foster growth across the SME manufacturing sector which by its nature has fewer resources, higher challenges and more constraints than already established larger firms. Policymakers face the difficult task of targeting companies that are often too small to reach effectively. Such support can thus prove ineffective due to issues including a lack of awareness on both sides, timeliness and relevance, or the failure to address specific business needs.

Public support mechanisms have grown more intricate over time, with new schemes, ideas, and incentives often creating

confusion over which businesses are most deserving of help. The emphasis on categorising businesses that qualify for growth schemes has frequently distracted from the essential focus: creating the right economic conditions for businesses to thrive through their own means — through investment, innovation, and trade.

With the new Labour government having set its ambition to make the UK the fastest-growing economy in the G7 group of rich countries, these challenges have become even more pressing. It is time to reconsider the landscape of business support, simplifying efforts and returning to the fundamentals: skills, finance, and trade. This report seeks to understand the ambitions of SME manufacturers for growth, identifies the key challenges they face in scaling up and provides a guide of existing support schemes that could help businesses today. It will focus specifically on three critical areas: people, finance, and exporting — highlighting the areas where targeted support can make the most difference in enabling SMEs to achieve their potential and also spotlights how different countries have approached supporting SMEs themselves.



## Part 1:

# State of the Sector - the Current SME Environment

Over the past half century, the UK has undergone a significant transformation in its industrial base, driven primarily by technological advancements and cost considerations. The era of mass production of consumer goods such as televisions, white goods, and other everyday technology items has long passed. The rapid rise of China and Southeast Asia as manufacturing hubs prompted major corporations to adopt strategies focused on cost reduction, offshoring and increased production volumes.

Globalisation played a central role in the mass adoption of consumer products, with cost reductions fuelling increased demand. For example, Taiwan's focus on semiconductors or South Korea's leadership in LED flat-screen technology. In response to that shift, the UK evolved away from low-cost, low-value consumer goods towards high-value, advanced manufacturing, with SMEs dominating the playing field in population. However, since the global financial crisis, productivity growth within SME businesses has stagnated, creating a need to assess the causes of the low growth economy we have grown accustomed to.

Today, there are approximately 269,000 manufacturing companies across the UK, comprising 132,280 individual

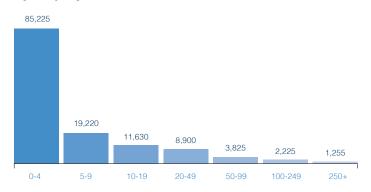
organisations, which together employ around half of the 2.6m workers in the industry as a whole. By value, these vibrant SMEs contribute around £186 billion in turnover to the UK.<sup>2</sup>

In terms of demographics, the number of businesses across the manufacturing industry is primarily made up of micro enterprises (0-9 employees) and small/medium enterprises (10-249 employees). Combined, these companies account for 99% of the manufacturing business population.

Since 2021, the total number of businesses in the manufacturing sector has been declining steadily.

At that time, there were approximately 140,000 manufacturing enterprises in the UK. The number manufacturers has since fallen to its lowest since 2015. That decline is likely a result of the challenging economic environment manufacturers continue to face, including a tax burden that is at the highest it's ever been outside of WWII, in part a result of the COVID-19 pandemic, increased energy prices in the context of ongoing geopolitical instability, elevated interest rates, and substantial labour and skills shortages.

Chart 1: Number of manufacturing businesses, by employment bands

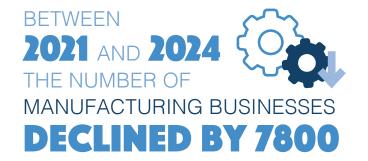


Source: ONS Inter-departmental Business Register (2024)

Chart 2: Total number of manufacturing businesses over time



Source: ONS Inter-departmental Business Register (2024)





#### **METHODOLOGY**

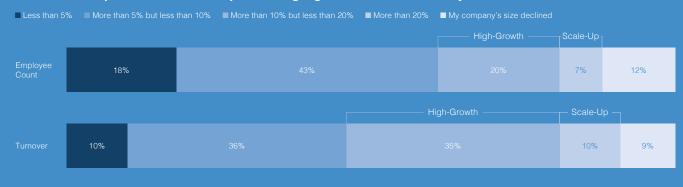
This research uses the official definition of SMEs as having between 10 and 249 employees, with micro businesses defined as having fewer than 10 employees to categorise business size. This survey does not include responses from large manufacturers (250+ employees). Approximately 98% of responses were specifically SME manufacturers, while the remaining 2% were micro businesses. Furthermore, businesses with turnover that exceeds £36 million (the turnover threshold for a large company) are still included in the sample provided they still meet the employment definition. This is to ensure high performing SMEs that are generating substantial turnover even with less than 250 employees are captured as potential high-growth firms.

The report's findings highlight differences between the average SME manufacturer, scale-up manufacturers (defined as experiencing at least 20% year-on-year growth in employment or turnover over a 3-year period, and started with at least 10 employees), and creates a separate category for high-growth firms (10-15% growth) to measure those businesses that are close to being scale-ups but are yet to be.

#### There are four groups of fast-growing manufacturers identified for this study. These are:

- Scale-ups (by turnover)
- Scale-ups (by employment)
- High-growth (by turnover)
- High-growth (by employment)

#### Chart 3: Composition of scale-ups and high-growth firms in survey



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)





## Part 2:

# **SME Growth Ambitions**

Ambition and desire for growth can mean different things for a business, and it's normal for many businesses to aspire to reach a certain level that meets their individual needs. It may be that owning a business is just an alternative to working a full-time job for some, though this is less likely the case within the manufacturing sector. Starting a manufacturing business is risky due to the high sunk costs (capital) and labour (high skill staff). As a result, growth is necessary for manufacturing businesses, and so economies of scale play an important part in competitiveness.

Within sectors, there will always be those who aspire to achieve great feats and be the next 'unicorn' of the industry, like the Amazons and the Ubers of the world. The level of ambition amongst SMEs in the manufacturing sector reported at a whopping 47%, whilst a further 12% plan to grow in

terms of turnover only and 5% in terms of employment only. This means across the representative sample of SMEs in the manufacturing sector, 64% have the great ambition to grow into a large company.

#### SMEs' ambitions to grow into a large business in the next 5-10 years'

**12%** plan to expand their turnover

5% plan to expand their workforce

**47%** plan to expand both turnover and workforce

19% want to expand, but not into a large business

**9%** have no plans to expand in this timeframe

5% feel their business is already at the right size

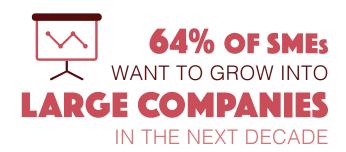
**ONLY 2%** plan to de-scale their business

Percentage shares may not total to 100% due to rounding.

That is an encouraging statistic, as it highlights that with the right economic conditions backed by strong public and private support, the UK stands to add billions to its GDP. Supporting these SMEs to achieve their goals would help the UK Government to achieve its goals but, in reality, many of these SMEs will not reach these heights due to hesitation in investment resulting from a lack of confidence in the economy, the absence of a skilled workforce and limited access to credit. It should be acknowledged that some of this ambition may just be a general desire, even if many companies would not act on achieving it unless they needed to.

#### The Goldilocks Zone

For some businesses, there is such a thing as a right size which can be dictated by factors outside of ambition, such as market demand, access to skills or appetite for finance. Only 5% of SME manufacturers feel their business is at the right size. In some cases, being an SME may be the most efficient size for a business whose current production is



already meeting maximum output or demand at the lowest possible cost.

The challenge for the national economy is that there may still be companies within this cohort that have the potential to scale-up and contribute far more to the UK economy, in terms of GDP, jobs, and investment. But if the objectives of the current owners do not align with the business' potential, then there may be a cost in lost opportunity.

# MAKING DREAMS A REALITY - THE ECONOMIC PRIZE FROM SEIZING SME AMBITIONS

Imagine for a moment that the ambitions of all SMEs became a reality, and those that wanted to grow could succeed in doing so. We know now that 64% of manufacturers aspire to grow into a large company within the next decade.

What would this look like in terms of Gross Value-Added (GVA) terms?

If the share of ambitious SMEs were to grow to reach the minimum annual turnover of a large company (£36 million)³, then this could add an additional £219 billion in turnover to the sector. In GVA terms, it is estimated that this would add around £83 billion to the industry's total output value⁴.



How might this additional value impact our position on the global stage? When the league table for global manufacturing

economies was updated last year, the UK had fallen out of the top 10 countries by value of output for the first time since 2011<sup>5</sup>. This was an unfortunate outcome despite having moved to eighth place only a year prior due to the pandemic-bounce back. Historically, the UK almost always held a strong position in the tables. At the turn of the millennium, the UK sat eighth in the table globally. However, the rise of countries including Mexico and Taiwan has pushed the UK out of the top 10, impacting this country's ability to attract and to grow foreign direct investment.

However, supporting those that are the most ambitious SMEs to grow could help propel the UK back up the global league table among other manufacturing titans, such as the US, China, Germany and Japan.

The lower threshold was chosen to calculate an estimate in order to produce a conservative figure for GVA growth.

\*Estimated using ONS data from the Annual Business Survey and Business Size, Activity, Location data sets. SMEs included for scaling covered only those within the £2m to £36m turnover range.

\*Make UK, The Facts (2024)

Surely even obtaining half of this prize is worth fighting for when considering the number and breadth of SMEs that exist in the UK, many of which are world-leading in terms of innovation and the use of technology. Of course, it would be too farfetched to achieve £83 billion growth in the sector's GVA overnight, and the SMEs surveyed are aspiring to reach their goal over a period of 5-10 years. That, however, would still mean a more realistic scenario of adding between ~£8 billion - £16 billion per annum to industry GVA, not accounting for the impact of inflation. That is still a sizeable prize worth pursuing.



#### **Investment plans for SME manufacturers**

Investment is critical for the growth of any business, and the manufacturing sector is no stranger to high-risk investment. The industry annually spends over £30 billion on capital equipment to keep factories running and improve productivity. And almost £20 billion a year in R&D to ensure Britain remains at the forefront of science and technology<sup>6</sup>. SMEs are often regarded as the incubators of innovation in the UK with much of the total R&D spend taking place within the supply-chain.

As our survey shows, SME manufacturers aim to prioritise investment in people over the next 12 to 24 months, with 48% planning to invest in production staff. Interestingly, investment in non-production staff also ranks high (third) for priorities. Non-production staff can refer to those in middle and backoffice operations such as marketing, HR, IT or finance, as well

as roles with digital skillsets such as programming and analysis which support the adoption of digital technologies.

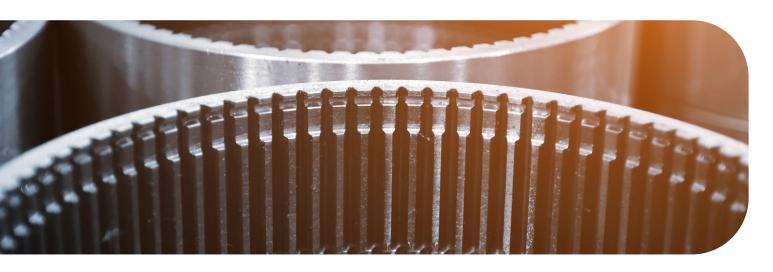
This strategy is understandable given investment in digital technologies and AI completes the top five priorities for SMEs, though, from a macro-economic perspective, it would be preferable to have higher percentage shares for investment in these technologies. A broad number of public support schemes exist to help businesses adopt digital technologies and invest in innovation, notably the Made Smarter programme, the Catapult network and Innovate UK which can help businesses with funding and advice, though the survey indicates limited awareness of such programmes amongst businesses. Investment in plant and machinery ranks second highest for priorities for manufacturers, which can include both maintenance/repair and capacity expansion.

Labour and Skills (production staff) 37% Plant and Machinery 31% Digital technologies and software Labour and Skills (non-production staff) 31% Al technologies Supply Chain systems R&D programmes 25% 24% International expansion (Exports) Sustainability Infrastructure New and improved buildings Strategic acquisitions/supply-chain integration 15% International expansion (new plants overseas)

Chart 4: SMEs plan to invest in labour, capital and digital in the next 12-24 months

Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)





#### DO SCALE-UPS AND HIGH-GROWTH FIRMS DIFFER TO THE AVERAGE?

Consider now how scale-up companies (SMEs who sustain 20%+ growth over 3 years or more) and high-growth firms (those achieving 10-20% growth per annum) may differ in their priorities.

If we look at businesses that meet the definition of scale-up by turnover, then we find that these businesses are relatively more focussed on strategic acquisitions, net zero and exporting. And by employment growth, they are prioritising international expansion (new plants overseas), R&D and improving buildings.

Similarly for high-growth businesses, by turnover we find top priorities include international expansion (new plants), improving buildings, and supply-chain systems. But those growing in terms of employment are more focussed on AI technologies, supply-chain systems and strategic acquisitions.

The most interesting aspect of how faster growth firms behave compared to the sample average is that none of the top 3 priorities for the average SME feature in the top priorities for scale-ups and high-growth firms, strongly suggesting that these businesses may have different characteristics to typical SMEs.

#### The barriers to achieving scale

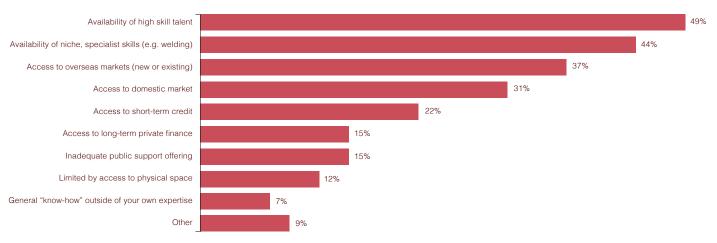
Despite the intention of many SMEs to invest in people, capital and digital to grow and achieve their ambitions, there are inevitable barriers that will hinder progress. The largest group of SME manufacturers (49%) highlight the lack of high skill talent as a barrier to growth, followed by the lack of niche skills for roles such as welding, which have become increasingly difficult to fill as replacement rates decline as an increasing number of existing staff with vocational skillsets move towards retirement age.

Access to market was also highlighted by a sizable share of manufacturers covering both overseas and domestic markets. In some circumstances it may be possible to scale with a small market base if the products perform best at

high margin, low volume production which can work for niche, bespoke products. For most manufacturers, the size of the market base can effectively determine the size of the business which is why exporting is crucial for growth, particularly for the UK which cannot compete with the market size of the US or EU collective. The incoming trade strategy for industry will be of great interest to the manufacturing sector which is eager to ease trade relations with the EU as well as build new relationships with businesses in other countries.

Whilst access to finance ranks relatively low, it is still important for businesses' growth. For example, 70% of manufacturers highlighted that they would have invested less or none at all if it were not for the access to finance in 2023.

Chart 5: Limited access to skills and market is a barrier for scale-up growth



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

<sup>7</sup>Make UK/ NatWest, Finance: Opening doors to investment in manufacturing (2024)

## How do barriers for scale-ups and high-growth firms differ?

Considering scale-ups by turnover, these manufacturers highlighted an "inadequate public support offering" as the main barrier to growth which offers a fascinating insight suggesting these businesses are more likely to be already engaged with Government support programmes. Those scale-ups by employment, however, pointed towards the lack of niche, specialist skills which, albeit makes sense given the focus on people for these companies, is surprising given we would expect most scale-ups to be high tech.

High-growth firms, those who are just below the threshold of scale-ups, singled out access to the domestic market as the main barrier to growth. This may be because these businesses are seeking opportunities to scale and are finding the current size of the market a limiting factor. This was the main barrier for high-growth firms when considering turnover or employment growth. High-growth firms by employment also referred to access to credit as a barrier which may also play together with market access if these firms lack the capital to scale-up production sufficiently.

#### Time to go back to the basics

SMEs are clear about what they want. The ambition to grow for many is there, and so are the priorities for investment despite several persistent barriers.

There already exists a plethora of public support to help businesses invest in people, capital and innovation. This includes funding for skills via the Apprenticeship Levy (soon to be renamed the Growth and Skills Levy), a Help to Grow scheme to train leaders, 100% capital allowances for machinery investment and several institutions and programmes like Innovate UK or Horizon Europe to accelerate innovation. The challenge is how do we link these together and ensure businesses can access them when they need it.

Economic growth and improving quality of life for the people of the UK is the goal, and SMEs can deliver this with the right balance of support. However, it may be time to take support for business back to basics and focus on what can make a difference. The first part of this is about language and getting the definitions for businesses right.

# THE SUPPORT LANDSCAPE HAS BECOME TOO ONEROUS AND COMPLEX TO ENGAGE WITH

Our review into existing mechanisms of support across the UK found far in excess of 100 types of schemes and support systems available to support manufacturers and other industries. The breadth and diversity of support can mean that there's something out there for every business, and as the data quietly makes clear is that both investment plans and barriers to growth is itself highly diverse. Yet, the sheer number of support initiatives can also be overwhelming for SMEs who do not have the resource and capacity to effectively research and identify which public support would be most beneficial for them to achieve their goals.

# Business leaders and policymakers are talking at cross purposes

Do manufacturing SMEs understand the language that policy makers, academics and institutions employ to describe them? Based on the latest survey data, the answer is unequivocally no.

According to the survey data, only 7% of manufacturers meet the definition of scale-up by employment, and this figure rises to 10% when measured by turnover. However, most businesses do not know whether they are a scale-up business or not, many simply assume they are.

This is not unreasonable as a growth rate of 5%+ year on year is a strong rate of return when considering that interest rates are also around this level, while UK GDP growth has barely exceeded 1% in recent years, but the results present a new conundrum for policy makers, particularly as the incoming industrial strategy will support "Advanced Manufacturing" as one of the key sectors of growth. That will inevitably result in policy solutions for a specific cohort of businesses and leave it up to them to interact with those policies. What government means by "Advanced Manufacturing" is, as of yet, undefined. Make UK are clear that the Government needs to work with the sector to clearly set out what they consider to be "Advanced Manufacturing" and whether their focus will be on end-advanced manufactured products or advanced manufacturing processes.

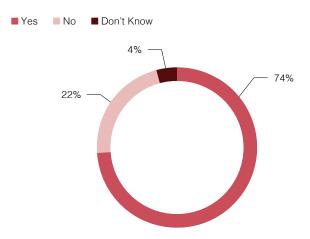
# Defining ambition to locate targets for Government support

We must be careful not to confuse businesses with jargon and ensure that we use common language to describe what or who a particular support may be for. The discrepancy in understanding between Government and industry could lead to failure in widespread adoption and success of any new proposal or funding scheme. We believe it is far more effective to take a simpler approach that supplies open support, such as capital allowances, for all businesses or supporting investment in training, with add-on support that is coupled with general support when high-growth and scale-up firms are identified.

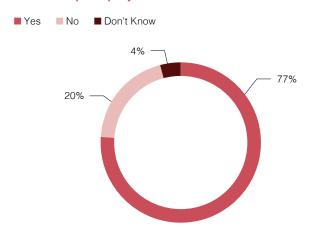
We must focus on getting the basics right before venturing into the details. No business believes it is the Government's role to intervene in all challenges faced, and in some cases reduced intervention could be more efficient. To help businesses grow and scale, we propose growth support should focus on three fundamentals which include –

# Chart 6: Three-quarters of businesses believe they are advanced manufacturing and scale-up

In your view, would you consider your business to be Advanced Manufacturing?



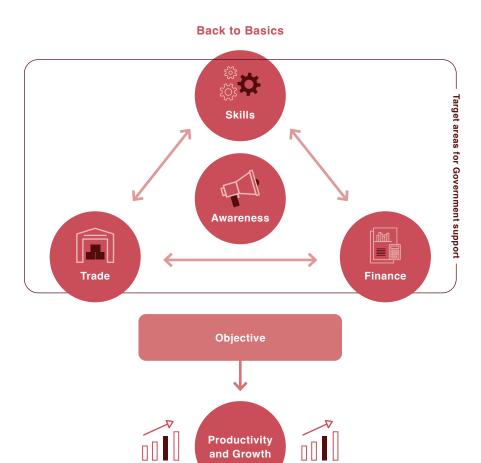
In your view, would you consider your business to be a scale up company?



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

- Labour and Skills: Support for leaders and ensuring a consistent flow of high skill talent to future proof the work force.
- Trade: Ensuring market access, both domestically and internationally so that businesses have the room to grow.
- Finance: Having access to credit with as little friction as possible and a fair tax system that rewards efficient investment.

#### Honing government support towards the fundamentals of business growth







### Part 3:

# People are a Company's Best Asset

Access to skills is the biggest challenge for SMEs. This was also the case for businesses in our last scale-up report.

The manufacturing sector currently employs approximately 2.6 million workers across the UK. A decade ago, it was approximately 3 million people<sup>8</sup>. The transition to a smaller total workforce masked the shift to a more highly specialised sector in which high-level skill and labour are increasingly essential. This is despite, and in fact because of, growing investment in digitalisation and automation technologies, which have increased the need for modern digital skills.

Recruiting enough of the right skills has always been a challenge for employers but the skills shortage in the UK manufacturing sector is now more costly than ever. That is why Make UK has created an Industrial Strategy Skills Commission to decipher appropriate solutions for policymakers to future proof the labour force for our sector so that we can make a success of the government's industrial strategy.

#### Leaders Chart the Course, Skills Drive the Growth

In manufacturing, skills mean more than just those in the production line, and growth starts from the top of an organisation. Leaders set the vision and the values an organisation builds itself on which in turn motivates both production and non-production staff to work towards a single goal. As our survey finds, 64% of SME manufacturers aspire to grow into large businesses in the next decade, but this ambition can only be realised through effective leadership.

Thinking about the characteristics that SMEs value most in their leaders, 64% believe that leaders having ambition and vision are "very important" for growth, followed by 52% who cite the ability to implement transformational change as the business grows. This can refer to being business-ready to comply with changes to regulations, as regulatory burdens can increase on a business if they become larger, such as more rigorous reporting standards. The ability to integrate new technologies is also pertinent to the skills of a successful leader, which includes identifying functions that stand to gain efficiencies through adoption.

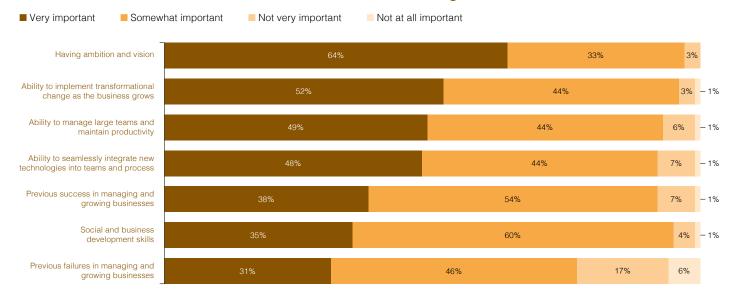
# **The Growth Mission:** A Blueprint for Scaling up SME Manufacturers

This is a critical skill needed to accelerate the adoption of robotics and AI within the factory space.

Support for leaders and managers are limited in the public space, though programmes do exist such as the Help to Grow Management scheme, a university-led course to help business leaders learn about management essentials,

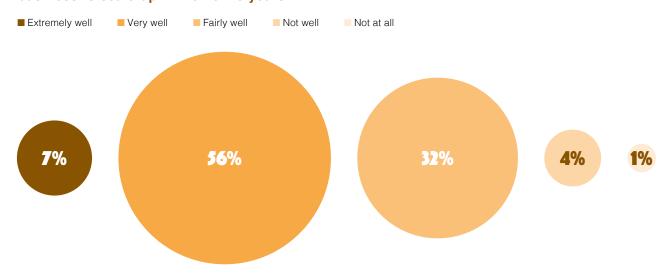
starting and scaling businesses and accessing finance. There are also accredited qualifications that leaders can earn such as those provided by the Chartered Management Institute (CMI) to build the skills needed to help a business grow as well as organisations such as Be the Business who offer opportunities to join communities to connect with other SME leaders.

Chart 7: Leaders with ambition and vision are needed to enable growth



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

# How well equipped in terms of leadership/management skills is your business to scale-up in the next 5 years?



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

# **The Growth Mission:** A Blueprint for Scaling up SME Manufacturers

However, interaction with existing support may be limited, particularly as most SMEs are highly confident in their leadership and management teams to deliver scale-up growth. Across the board, 95% of SMEs believe they are well equipped with the right leaders to scale in the coming years.

#### **People and Automation**

The Chancellor, Rachel Reeves, has recently called on Cabinet colleagues to propose ideas aimed at boosting economic growth. Prime Minister Keir Starmer has similarly directed regulators, including the Office of Gas and Electricity Markets (Ofgem) and the Water Services Regulation Authority (Ofwat), to put forward suggestions to help grow the economy. A major focus in this ongoing policy discussion has been on investment, particularly in infrastructure and human capital. That approach is grounded in economic theory and widely accepted as a key driver of growth. However, one significant source of potential growth has often been overlooked: the improvement of productivity within firms, particularly small and medium-sized enterprises (SMEs). Although this issue has been explored in economic literature for some time, recent years have seen an increasing emphasis on addressing the disparity in productivity levels across firms within the same industry. However, evidence suggests that enhancing productivity across firms could be an equally important avenue for growth.

This issue has received attention from both US and UK researchers. In 2020, the U.S. Bureau of Labor Statistics and Census Bureau launched the "Dispersion Statistics on Productivity" initiative, which tracks productivity disparities across firms over time. In the UK, the Office for National Statistics (ONS) has similarly explored this issue, supporting the observation made by Andy Haldane (former Bank of England Chief Economist) that a long tail of underperforming companies is a major factor behind the UK's productivity gap with international competitors.

The productivity gap between firms in the same industry is striking. Top-performing firms can be four to five times more productive than their least efficient counterparts, even within narrowly defined industry sectors. Research in the United States also highlights significant productivity disparities within typical firms across a range of industries.

For instance, companies that outperform 75% of their competitors are, on average, 2.4 times more productive than those that outperform only the bottom 25%.

The potential for growth through improving productivity among less efficient companies—most of which are SMEs—could be substantial. Despite having the sixth largest economy in the world, the UK is not even in the top 20 countries for robotics density – a measure of modern technological adoption and productivity. Indeed, the UK is the only country of the G7 not to be considered a robotics superpower. Some may argue this is down to the composition of UK manufacturing which has a disproportionately large number of SMEs relative to larger corporations. Yet Denmark, for example, which is not generally considered a manufacturing powerhouse economy, has 306 robots per 10,000 workers compared to the UK's 101 per 10,000 workers<sup>9</sup>.

As an SME grows, they will inevitably need to hire more staff or adopt automation technologies to deliver the growth they need. Three in five SMEs say as they scale, they would increase both recruitment and adoption of automation technology about equally, whilst 27% slightly favour and expect to increase automation at a faster rate than recruitment. Albeit, the specific needs of any labour growth can change over time. For example, as modern technologies are adopted to replace repeatable, manual tasks, such as the use of CNC/PLCs<sup>10</sup>, the need for skill will shift towards the maintenance and management of the automation technologies to ensure productivity does not fall.

Investing in digital technologies and automation is a no brainer for many businesses. Almost two-thirds of manufacturers believe that the future factory will be an automated facility powered by digital technologies, yet 30% of companies are still at the "conception" stage of their digitalisation journey<sup>11</sup>. There is evidently a gap in expectation and action for SMEs who understand the benefits of technologies like automation, robotics and AI, and yet are hesitant to take that leap of faith or invest real time to figure out what would work best for them. Government support, such as grants and advisory services can help bridge the gap, but ultimately the change must come from the SMEs first.

<sup>&</sup>lt;sup>9</sup>International Federation of Robots

<sup>&</sup>lt;sup>10</sup>Computer Numerical Control (CNC) and Programmable Logic Controller (PLC)

<sup>&</sup>lt;sup>11</sup>Make UK/ Autodesk, Future Factories Survey, 2024

#### How SMEs expect their labour/capital ratios will change as they scale-up?

27% WILL INCREASE AUTOMATION MORE THAN STAFF

60% WILL INCREASE AUTOMATION AND STAFF EQUALLY

14% WILL INCREASE STAFF MORE THAN AUTOMATION

Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

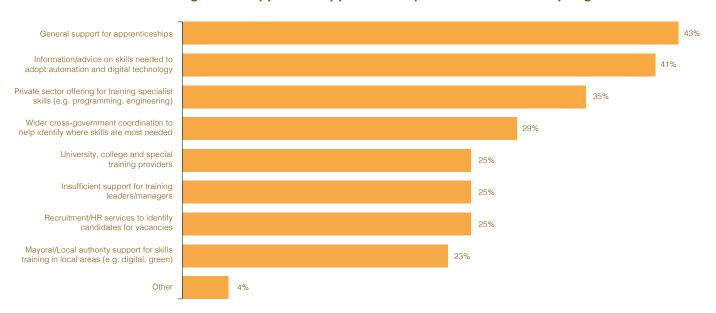
# What support do manufacturers want from the public sector?

Manufacturers want better general support for apprenticeships to support the growth of SMEs. Shockingly, since the inception of the Apprenticeship Levy, apprenticeship starts have declined by over 40%, severely limiting the sectors' ability to recruit the necessary skills to grow. The new Labour government's manifesto committed to reforming the failing Apprenticeship Levy into a new Growth and Skills Levy with the aim of giving Levy payers the flexibility to spend a greater share of their funds on approved courses, the relevant ones which will be decided on by Skills England. Currently, there is a particular challenge with the viability of manufacturing and engineering apprenticeships at level 2 and 3 where most of the decline in starts has occurred. We require a root and branch review of the apprenticeship system, especially to locate the missing funds, roughly £800 million, paid by employers into the Levy pot but which is not spent by government on apprenticeship training. That money should be used for skills training in the sector. This review would need to

be followed by a revision of funding bands to ensure level 2 and 3 apprenticeship standards are appropriately funded or risk losing training providers to market forces.

Secondly, businesses need access to better support for adopting technology. From one perspective this is great news, as it indicates that SMEs are not necessarily averse to the idea of adopting new technologies – as is often the myth with small companies - but simply lack access to relevant awareness and information. There are support systems out there such as the Manufacturing Technology Centre (MTC) which can support businesses to identify needs, as well as producers of automation technologies who may have specialist knowledge about how best to fit their technology on the shop floor. The challenge is getting this information in front of SMEs, especially those with scale-up potential. Holding workshops that are delivered by specialist organisations where new technologies are demonstrated could be one solution, though it requires incentivising leaders to engage with public support schemes directly.

Chart 8: Businesses want greater support for apprenticeships and advice on adopting automation



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

#### What about scale-ups and high-growth firms?

The needs of the fastest growing SME manufacturers, scaleups and high-growth firms, differ slightly to the priorities of the rest of the manufacturing industry. Both groups highlight a strong need for more cross government coordination to ensure the right skills required are identified, and investment is made accordingly. Scale-ups also highlight a need for specialist services like recruitment and leadership training, whilst high-growth firms need more localised training support.

Skills priorities (Top 3)	Turnover	Employment
Scale-ups	<ul> <li>Wider cross-government coordination to identify skills needed</li> <li>University, college and specialist training providers</li> <li>Recruitment/HR services to identify candidates for vacancies</li> </ul>	<ul> <li>Support for training leaders/managers</li> <li>Wider cross government coordination to identify skills needed</li> <li>University, college, specialist training providers</li> </ul>
High-Growth	<ul> <li>University, college and specialist training providers</li> <li>Mayoral/local authority support for skills training in local areas</li> <li>Private sector offering for training specialist skills</li> </ul>	<ul> <li>Private sector offering for training specialist skills</li> <li>Wider cross government coordination to identify skills needed</li> <li>General support for apprenticeships</li> </ul>

#### RECOMMENDATIONS

Provide long-term funding and strategic reinforcement for the Made Smarter Adoption programme to ensure sustained SME engagement in digital transformation.

The Made Smarter programme should be moved away from short-term funding cycles to a longer-term multi-year cycle budget which would provide certainty for both providers and manufacturers. The Made Smarter programme should also offer enhanced services where possible for the adoption of AI, and cybersecurity, which must be combined with greater attention to enhancing the service's offer to micro and small manufacturers, the cohort which can tend to be the least likely to use Made Smarter but are also the cohort of companies who could benefit most from its services and advice. More broadly, greater attention should also be paid to building stronger industry partnerships to foster deeper collaborations with technology providers, R&D hubs, and large manufacturers to accelerate the diffusion of technological advancements into SME manufacturers.

Improve accessibility skills funding provision with the transition to the Growth and Skills Levy

While it is positive that the Government is committed to reforming the Apprenticeship Levy, proposals for greater flexibility in how Levy-paying firms are able to spend their funds must not come at the cost of fewer opportunities for SMEs to recruit and train apprentices. The first step in ensuring this is to fund the apprenticeship programme properly instead of the Treasury diverting a large amount of employer contributions to other areas of spending – of the £4 billion raised from employers, less than £3 billion is used for apprenticeship training in England. Making all this money available for skills training would better enable access to the right programmes for SMEs by protecting the funding available for SME apprenticeships and sustaining local training provision. During the COVID-19 pandemic, HM Government successfully maintained apprenticeship numbers by introducing financial incentive payments for employers. In 2024, the mandatory 5% employer contribution to apprenticeships from SMEs was removed for apprentices under the age of 22. To provide more effective support for SMEs with the cost and capacity constraints they face in recruiting, training and supporting apprentices, the Government should consider where else it could target financial support for SMEs, either through creating an incentive for apprentice recruitment based on company size, or further exempting SMEs from costs associated with the delivery of apprenticeship training.



## Part 4:

# Finance – Unlocking Investment

Finance is like fuel for investment. It creates opportunities for manufacturers to reach their organisational goals that may be more challenging to achieve in the absence of credit. Access to finance can unlock the opportunity to scale production processes to meet demand and take advantage of opportunities in new markets, whether that is through the diversification of products and services or exporting overseas.

#### How big is the problem with accessing finance?

Only 22% of SMEs highlighted access to short-term credit was a challenge, and only 15% pointed to constraints with long-term finance. This is not very surprising given that most SME manufacturers tend to use cash rather than credit finance (67%), preferring to reinvest past profits than to seek loans from a bank<sup>12</sup>.

This is common because SMEs generally lack the collateral necessary to secure external finance and would prefer the security of their own cash to invest. It has also been suggested by a number of Make UK members that the lending sector is extremely risk averse when it comes to supporting SMEs, often resulting in high interest rates or

strict lending conditions even when finance is secured.

Capitalisation requirements can also incentivise lenders to prefer shorter return-on-investment time horizons meaning banks are less likely to lend to a manufacturing business because the investment cycle in our industry is such that purchases of new plant or machinery might only pay off after a decade or more. This contrasts with a typically shorter pay off period when lending to a firm in the services sector.

This scepticism of finance could explain the low share of SMEs who see finance as a barrier to growth, given most of these businesses do not see finance as a route to achieving their ambitions.

<sup>12</sup>Make UK, Start up to Scale-up (2021)

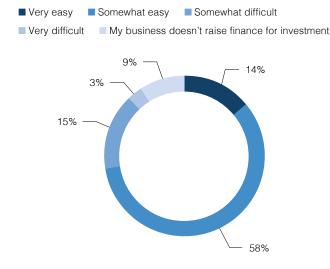
Despite SMEs indicating that access to finance is not a major issue, many continue to highlight constrained

access imposed by higher interest rates, lack of awareness and weak earning performances.

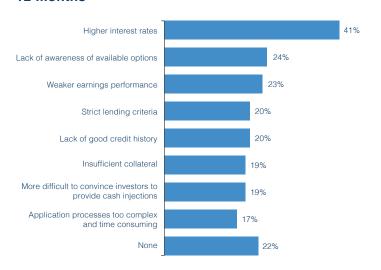
#### **RESPONSIBLE LENDING VS RISK TAKING**

From the lenders side, responsible lending practices have understandably been emphasised since the global financial crisis, and even more so since the COVID-19 pandemic which impacted the viability of many businesses across the UK. Whilst sensible from the lender's perspective, it is damaging to SMEs who have switched off from the idea of accessing finance to grow, and instead accessed finance only when necessary.

#### Chart 9a: The ease of accessing finance



# Chart 9b: Barriers to accessing finance in the last 12 months



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)



IMPROVING

ACCESS TO FINANCE

COULD INCREASE

TOTAL INVESTMENT BY

£9.2BN

#### A PACKAGE DEAL TO SUPPORT INNOVATIVE COMPANIES

In France, a substantial amount of support is delivered by Bpifrance (Banque publique d'investissement), a French public investment bank. It is similar to the UK's British Business Bank (BBB) and aims to provide financial support to French businesses.

The bank hosts several programmes to support its nation's SMEs. The SME Accelerator is a particularly interesting programme, which on top of supporting financing needs, selected high-growth businesses go on a 24-month programme to receive personalised support covering consulting, training, and networking to help build up the most promising SMEs.

#### Can the UK apply a similar approach?

Whilst the UK can deliver similar benefits to its own SMEs, what's missing is the joined-up approach of institutions (e.g. British Business Bank (BBB) funding support combined with High Value Manufacturing Catapult (HVMC) support) which a singular institution in France is able to deliver more effectively due to a single access point for businesses.

Nevertheless, the fiscal support to SMEs is still substantially greater in France than in the UK. The French Government's plan France 2030, aims to make France a leader in innovation promised to put €54 billion behind its industry, by 2023 over €18 billion had already been invested by the Government, with €2.1billion directed specifically to SMEs.

#### A fair tax system is critical to investment

SMEs also highlighted an unfavourable tax environment as a key constraint to accessing finance. Naturally, using "own cash" as a means to invest is also a type of finance and the tax environment is already unfavourable for businesses, particularly SMEs. A higher tax burden can directly impact these businesses' appetite for growth investment.

The recently announced increase in employer National Insurance Contributions (NICs) which increased the headline rate by 1.2%, and lowered the tax-free threshold to £5,000 is a substantial increase in costs for many businesses.

# FOR A TYPICAL MANUFACTURER, THIS IS EXPECTED TO ADD CIRCA £1,000 PER HEAD ANNUALLY TO THE BOTTOM LINE.

The primary form of mitigation for most manufacturers will be to raise prices on sold goods, though many may consider cancelling investment or under-investment to protect their own solvency<sup>13</sup>. On a positive note, the Government published its corporate tax roadmap recently which commits to capping the headline rate of 25% (and small profit rate of 19%) for all businesses, as well as plans to make it easier to use capital allowances.

However, alongside the change in NICs, the Government also implemented changes to capital gains tax and inheritance tax, which disproportionately impacts family-owned businesses across the UK. The manufacturing sector has already faced a substantial increase in business rate costs, over four times the increase of the national average in 2023. This all results in less liquid cash for an SME business

which will directly translate into reduced investment, whether it be in reduced hirings, reduced capital acquisitions or reduced R&D expenditure.

#### Tools available to rebalance the tax burden

Some tax burdens can be alleviated through reliefs and allowances. Full expensing and the Annual Investment Allowance (AIA) can support SMEs investing in capital equipment, though it can only be applied to taxable profits which can be a challenge for scaling businesses. In addition, the lack of clarity on what counts and what does not count for capital allowances can create barriers to access, such as for investment in software.

Furthermore, the R&D tax credit system, the most popular relief for manufacturers, supports investment in innovation. Though following the merger of the previous R&D schemes to create the new RDEC (Research and Development Expenditure Credit) was adjusted to be more beneficial for larger organisations, the tool remains one of the most generous mechanisms of public support available.

Manufacturers can also use the patent box relief to reduce their corporation tax bill to 10% for any profits that can be attributed to an IP owned by the business. Alongside this, business rates offer temporary relief to rate increases based on investments in green technologies, like solar panels or heat pumps and structural investments for facilities. Though these investments will inevitably result in a rate increase eventually, so the long-term implications of any structural investment should be considered carefully despite any temporary reliefs. Long term, the business rate system, which currently acts as a disincentive to investment, must adapt to

# **The Growth Mission:** A Blueprint for Scaling up SME Manufacturers

support the growth of organisations, especially scale-up and high-growth manufacturers who may end up facing penalties simply for the act of physically growing.

Funding the stages of investment

Even in a well-established manufacturing business that has been operating for decades, investment cycles can encounter challenges when developing new products and services. Historically referred to as the "valley of death" for investment, this term describes the critical period when a start-up or early-stage business struggles the most to raise funds and scale. A similar challenge can occur in the innovation cycle of new ideas, which need initial seed funding and additional investment as they progress to proof-of-concept stages with marketable value.

There are several reasons why failure at the early stages can occur, such as the impact of restricted cashflow as revenue falls, but operating costs remain high; inadequate access to finance that bridges the gap between R&D and scaling to make the returns worthwhile; or poor execution strategies which are dependent on the leadership team's ability to market ideas and make efficient use of resources. Economic factors can also have an impact if, for example, unexpected shocks such as surging energy prices, or a substantial rise in taxes came to be.

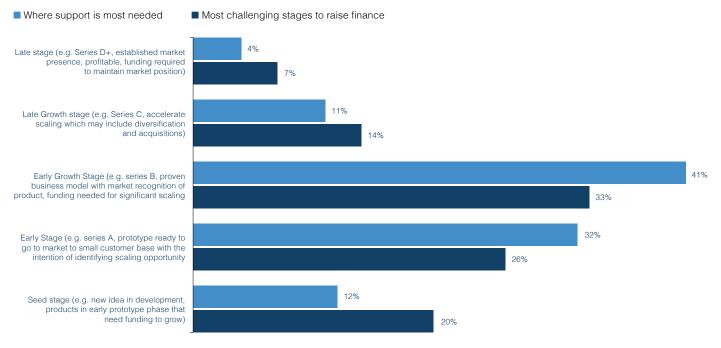
The largest group of manufacturers (33%) responded that the early growth stage (series B) is the most difficult stage to access finance. Funding requirements can be substantial at this stage which would need both public and private support to grow.

The bulk of SME manufacturers (79%) highlight challenges accessing finance anywhere between seed and early growth (B). This suggests despite any appetite for scaling production, manufacturers are facing challenges accessing funds at the point which they most need it. It is unsurprising that in terms of Government support, it is the prototypeready to early growth stage phases that manufacturers want to see more support for.

Public support does exist for businesses that want to grow at these stages. Such as the Seed Enterprise Investment Scheme (SEIS), the Enterprise Investment Scheme (EIS) or Venture Capital Trust (VCT). These schemes offer investors tax reliefs if they buy shares in a target organisation, though there are significant limitations. Many SME manufacturers are long-established with historical records far exceeding



Chart 10: The stages of investment where access finance is most difficult for SMEs



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

the seven-year age limit for the EIS which can make the scheme inaccessible. Instead, SMEs can look at alternative forms of funding such as the British Business Bank's Start up and Scale-up loans, grants from Innovate UK and reach out to local authorities for local funding opportunities. The critical element of these opportunities is whether they are sufficient to enable businesses to reach the scale they need to reach the ROI that makes it all worth it.

# THE BENEFIT OF TRUST-BASED RELATIONSHIP BANKING IN SUPPORTING BUSINESS GROWTH

In Germany, the network of savings banks, known as "Sparkassen" has been operating for over 250 years under the oversight of the umbrella organisation Deutscher Sparkassen- und Giroverband (DSGV). These institutions provide 70% of all financing to small and medium-sized enterprises (SMEs), underscoring the critical role that a locally embedded financial sector plays in fostering regional economic growth. In contrast, the UK currently lacks a robust regional banking system, which poses a disadvantage for SMEs, particularly those located outside major financial hubs.

#### Should the UK have its own Sparkassen?

Though it would be challenging to revitalise locally driven relationship banking in the UK, the use of digital technologies can help bridge the gap between fast growing SMEs and the competitive offerings of financial institutions. Nevertheless, there are still benefits to incorporating a "human" touch in business support in order to maximise engagement with industry.



#### How do scale-ups and high-growth firms differ?

Scale-ups and high-growth firms funding requirements are generally similar to the sample average of SMEs. However, there are indications of preference to later stage growth support (Series C) as well for scale-ups

(by turnover) and high-growth firms (by employment). Government support should consider whether offering a full suite of options for businesses at different stages of their investment cycles can result in the desired growth for economic development.

Finance priorities (Top 3)	Turnover	Employment
Scale-ups	<ul> <li>Early growth stage (Series B)</li> <li>Early stage (Series A)</li> <li>Seed stage/Late growth stage Series C (equal in priority)</li> </ul>	<ul><li>Early stage (Series A)</li><li>Seed stage</li><li>Early growth stage (Series B)</li></ul>
High-Growth	<ul><li>Early growth stage (Series B)</li><li>Early stage (Series A)</li><li>Seed stage</li></ul>	<ul><li>Early growth stage (Series B)</li><li>Early stage (Series A)</li><li>Late growth stage (Series C)</li></ul>

#### RECOMMENDATIONS

#### Introduce a super-growth-allowance (130% capital allowance) for fast growing businesses

High performing SME businesses in the expansion phase of scaling up often fail. This stage is typically characterised as the "valley of death" when investment must accelerate exponentially to scale pace with production, but revenue streams can remain restrictive. As this stage is the riskiest for a growing business, measures to encourage and better enable SMEs to take that step forward such as an advanced capital allowance would be of huge assistance. In order for this tool to be effective it is critical that Government implements a digital strategy to pool data sources and micro target information to those businesses that would qualify along the lines of the recommendation for a British Bürokratt platform (discussed in part 6).

#### Create an enhanced Growth Enterprise Investment Scheme (GEIS), modelled after the existing SEIS/EIS

Many manufacturers in the UK have long established histories since their inception and are substantially older than seven years, meaning they would not be eligible for the Enterprise Investment Scheme, which favours start-up businesses. Such criteria can make the existing SEIS/EIS more restrictive to innovative companies that may reach high-growth stages later in their life cycles. Creating exemptions for high-growth businesses, such as being more flexible on the age limit criteria would allow investors to consider manufacturers with genuine scale-up potential for investment. An enhanced version of the EIS, such as a Growth Enterprise Investment Scheme, designed to support scale-up and high-growth business to attract equity-based capital can help these businesses overcome the risks that often accompany fast growth.



## Part 5:

# Trade - Global SMEs

The size of a market, defined by the total number of potential buyers for a product, is a crucial factor in determining the growth potential of a business. A larger market size enables businesses to expand or face increased competition, with multiple firms vying to meet the total demand. This ultimately shapes the potential size of an entire industry.

As populations continue to grow, the demand for manufactured goods has steadily increased. However, the UK's share of the global economy in manufacturing has diminished over time. UK SME manufacturers are similar to SMEs around the world, forming part of a global network of small and medium-sized enterprises that trade and specialise in distinct segments of production, interconnected through global value chains (GVCs). The UK has one of the largest economies in the world, yet its market size is limited when compared to behemoths like the US, the EU, or China, which all have large customer bases. Consequently, exporting must be a key focus for UK SMEs looking to scale beyond simply being a big fish in a small pond.

Of course, many SMEs are indirect exporters already.

Many specialist companies create and process products/
materials that are sold to larger organisations, such as OEMs

(original equipment manufacturers) or Tier 1 manufacturers who assemble goods originating from a multitude of places across a supply-chain. Some of these assembled goods are ultimately exported overseas and are filled with inputs from hundreds of suppliers that play a role in its creation. There is value in that, and demand generated by big exporters can support the scaling up of SMEs too.

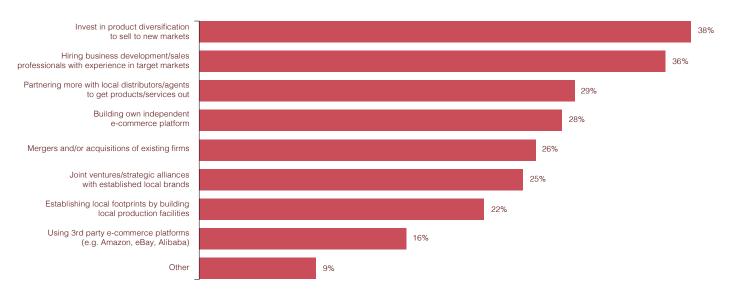


Currently, across all SMEs in the UK, only 11.8% are registered as direct exporters. In the manufacturing sector, when accounting for both goods and services, 22% of businesses are exporters. Though surprisingly small, this is nevertheless the second highest share of business that are exporters within an industry, behind only the information and

communication sector which exports primarily services. If we consider goods trades only, then the manufacturing sector is the most export intensive industry in the UK<sup>14</sup>.

Understanding how SMEs plan their export strategies can help identify opportunities for export growth, as shown in Chart 11.

Chart 11: Product diversification and business development professionals are key to exporting



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

# SME strategies to get British made goods out to the world

Although there is no definitive sales strategy for boosting exports among SMEs, many (38%) focus on investing in product diversification to access new markets. This reflects the need to understand local markets and create products/services that fit into a foreign market's existing regulations/standards as well as consumer tastes.

The second strategy, building on the first, is to invest in business development skills, especially by bringing in people with experience in target markets. This highlights a new challenge which links skills and exporting together. SMEs often indicate that they lack the internal resources to search for funding or identify relevant digital technologies, and the same can apply for exporting. Exporting to new markets is not simply about tariffs, as manufacturing SMEs connect through relationships that are built over time, hence why much of UK-EU trade continues to persist even today. From an immigration perspective, appropriate skill related visas could help bring more people with target market knowledge into the UK, though SMEs can also consider hiring sales professionals within the target markets too.

Just under one in three (29%) also partner with local distributors to get their products out, though this share is much lower than ideal. Partnering with local distributors can overcome some of the challenges with hiring sales professionals, since they can act as the middle person between producer and seller. Furthermore, the Brexit trade agreement between the EU and the UK includes a number of data protection compliance requirements, which mean non-EU (i.e. UK) companies need a representative located in the EU under Article 27 of the EU GDPR in order to process data of individuals in the EU. If a company or organisation fails to appoint a representative, fines may be imposed. The fine is 2% of the global turnover or €10 million, whichever is higher. So, at least when it comes to the EU market, partnering with local agents or distributors to get your products out has become more important than ever.

Only a modest proportion of SMEs use e-commerce systems, invest in acquisitions or rely on third party platforms (like Amazon or eBay) to sell British-made goods to the world. Targeted support can help SMEs bridge the gap between their scale-up ambitions and exporting more globally. This must be on top of ensuring SMEs can also grow and sell within the UK too, as domestic demand is of crucial importance.

<sup>&</sup>lt;sup>14</sup>ONS Exporters and importers by industry breakdown (Annual Business Survey) - Office for National Statistics

#### **US EXPORT SUPPORT FOR SMEs**

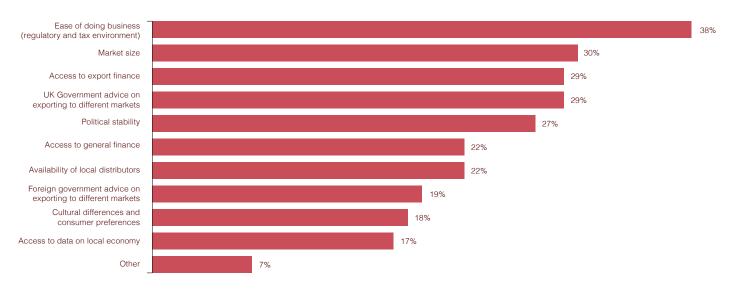
The Small Business Administration (SBA) is responsible for working with financial institutions in the US to support US SME businesses to increase their exports. It offers financial support and subsidies, such as microloans, innovation research grants, and export finance programs. For example, these include, Export Express Loans, Export Working Capital Loans and International trade loans.

In addition to financial support, the SBA has Export Finance Managers distributed across every state so that SMEs have a point of contact to seek advice and understand what the best financial products could be for them.

#### What can the UK learn from the US approach to supporting exports?

From the UK perspective, it could be beneficial to apply the localised approach to supporting exporters, especially those with less experience in trading internationally.

Chart 12: Understanding market regulations and tax environment is important to exporting



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)

#### Factors that can enable more exporting

The ease of doing business, such as understanding local regulations and tax systems is important for exporting SMEs. This is a reasonable factor to top the list, as it complies well with SME strategies to focus on product diversification, which are likely partially motivated to ensure products meet standards. This is, however, less likely an issue when trading with countries in the EU where regulation and tax systems are, currently at least, similar to the UK.

Following market size, SMEs believe that UK Government advice on different markets affects their likelihood of exporting to those markets. The Department for Business and Trade offers a detailed list of country profiles to help any potential exporter to learn about target markets, such as top goods exported to a particular country. Information on

regulations or tax systems is more limited in these profiles and more could be done to offer bespoke information on specific countries going forward.

Other factors such as political stability, finance, local distributors, and cultural differences can all play some role in helping SMEs export more. Finance in particular, as was identified earlier, plays a prominent role in enabling growth in SMEs.

#### Export Finance – the key to unlocking the world

Export finance, which includes products like trade credit insurance, working capital finance, buyer/supplier credits or export guarantees to help UK plc access the global market. When asking SMEs to rate the quality of export finance, 77% said that the quality of export finance is very good or

good. This is encouraging as it suggests that at least there is a perception that the provision of export finance meets the needs of SMEs, which was also consistent for scale-ups and high-growth firms. However, when asked what policies we should implement to improve export finance, 36% said greater support was needed to raise awareness of export finance. That result, on the surface, appears quite contradictory, indicating that whilst manufacturers believe the quality of export finance is "good", its accessibility may be a limiting factor to achieving export-led growth.

Furthermore, SME manufacturers also believe the following advancements in export finance would improve their ability to support exporting companies. Whilst there was no clear winning choice, each of these can add to the value that export finance already brings to many organisations.

- Widening eligibility criteria to allow more businesses with less experience in exporting to access (33%)
- Extended loan or guarantee terms to allow for longer investment cycles (33%)
- Include advisory services alongside financial assistance

- (e.g. understanding target market regulation) (32%)
- Increase the number of lenders available that provide general export finance (28%)
- Expand coverage for non-commercial risks (e.g. if contractors failed to deliver) (25%)
- Roll out further export finance products to provide guarantees to international buyers engaged in purchasing UK manufactured goods (22%)

#### How do scale-ups and high-growth firms differ?

Exporting is perhaps more relevant to those firms that are seeking fast growth, such as those that are scale-up and high-growth manufacturers. The most interesting aspect of the difference between the average SME, and the faster growing SMEs is that the top three priorities reflect a greater interest in protections that provide risk management, such as extended loan guarantees, coverage for non-financial risks and advisory services. It suggests that the export needs of fast-growing SMEs may be more complex. It should be noted that in the UK, Bill and note guarantees are available to help SME exporters manage risks from foreign buyers.

Trade priorities (Top 3)	Turnover	Employment
Scale-ups	<ul> <li>Widening eligibility for less experienced exporters</li> <li>Roll out further export finance products to provide guarantees to international buyers.</li> <li>Increase the number of lenders</li> </ul>	<ul> <li>Roll out further export finance products to provide guarantees to international buyers</li> <li>Extend loan or guarantee terms to allow for longer investment cycles</li> <li>Widening eligibility for less experienced exporters</li> </ul>
High-Growth	<ul> <li>Roll out further export finance to products to provide guarantees to international buyers</li> <li>Increase the number of lenders</li> <li>Include advisory services alongside financial assistance</li> </ul>	<ul> <li>Increase the number of lenders</li> <li>Expand coverage for non-commercial risks</li> <li>Roll out further export finance products to provide guarantees to international buyers</li> </ul>





WANT BETTER CAMPAIGNING

TO RAISE AWARENESS FOR

**EXPORT FINANCE** 



33%

WANT EXPORT FINANCE ELIGIBILITY

TO BE WIDENED FOR

**INEXPERIENCED EXPORTERS** 

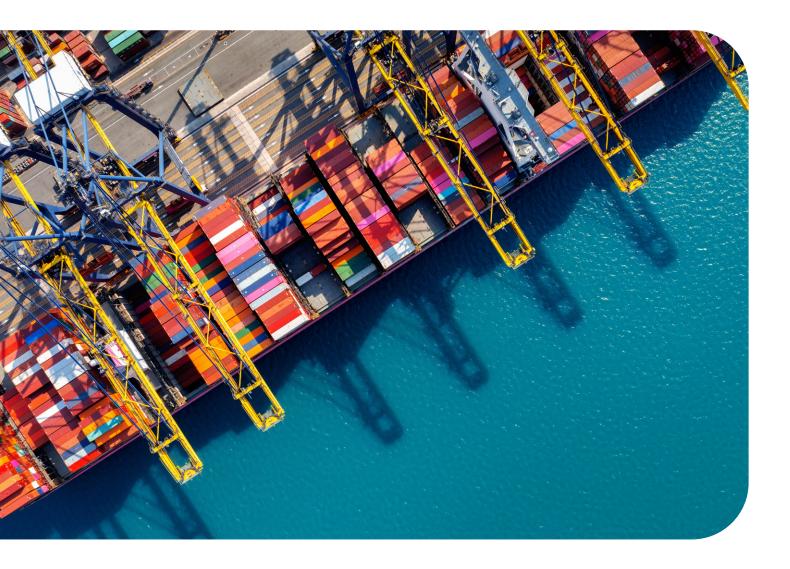
#### RECOMMENDATIONS

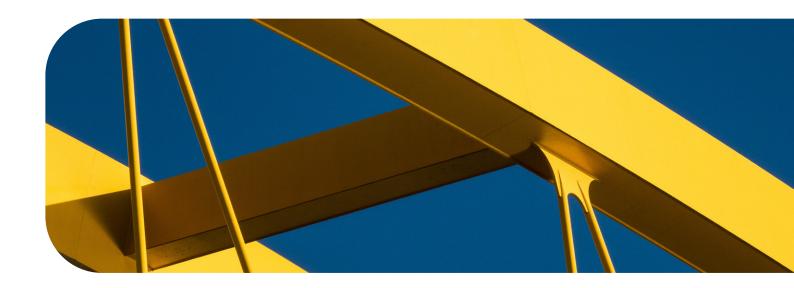
#### Introduce an Export Development Scheme to improve access to trade finance

Access to trade finance is critical for small firms to meet the upfront costs of trade and address cashflow shortages for those with small margins and minimal resources. Government should Introduce an Export Development Grant Scheme for SMEs, akin to the successful scheme deployed in Australia for decades, which has incentivised scores of small firms to export their products to new markets. The ongoing review of the pilot UK Tradeshow Programme should be concluded and commit to delivering new financial support to SMEs to attend tradeshows going forward.

#### Expand Export Finance services to incorporate additional risk management support

SMEs highlight that the quality of export finance is currently good, and for fast growing businesses certain risks that are outside of their control can become a barrier to trade, such as buyer defaults, late payments or non-commercial risks. The offering of export finance should expand to provide a full coverage model that, alongside financial support, delivers advisory services when trading with new markets. This should also support SMEs that have less experience in direct exporting to other nations and provide services to educate businesses on dealing with non-tariff barriers, such as filling in customs forms or Rules of Origin certification. Delivering a complete package of support from a single entity would enable a multitude of businesses to grow through exporting.





## Part 6:

# The Value of Awareness

The awareness and use of available supports is central to the success of any Government policy that seeks to assist or encourage business to grow. As illustrated below, many SME manufacturers are unaware of existing support which creates the need to change how we disseminate information to potential users of any support. This also needs to be coupled with a change in mindset of SMEs to more actively seek out support when they need it, which would require targeting leaders and managers to be more open about their needs.

#### Consistency and time build familiarity

What is clear is that the schemes that have some of the highest rates of awareness, are those that have stood the test of time and are relatively simpler to apply for. This includes R&D tax credits, which boasts only 6% of SMEs as being unaware of the scheme. The manufacturing sector

makes up a quarter (24%) of all claims for R&D tax credits, the second highest share just marginally behind Information & Communication (25%) though recent changes to the R&D scheme, which negatively affects SMEs, have reduced claims and therefore, likely, R&D investment itself.

#### **R&D TAX CREDIT CLAIMS ON THE WAY DOWN**

The number of claims under the SME scheme has declined by 23%, and the number of claims by SMEs for the RDEC scheme (SMEs being eligible because they are subcontracted by large companies) has decreased by 9%. Most of this decline seems to be attributable to the additional information form (AIF) which has substantially increased bureaucracy for the most popular policy incentive<sup>15</sup>.

<sup>&</sup>lt;sup>15</sup>Research and Development Tax Credits Statistics: September 2024 - GOV.UK

# **The Growth Mission:** A Blueprint for Scaling up SME Manufacturers

Many manufacturers are also aware of capital allowances, the Apprenticeship Levy and grants that they can utilise to support investment in innovation, capital equipment or skills. Though each of these have their own frictions, they are relatively well-known by businesses due to their applicability. However, awareness tends to decline further for institutional support organisations, such as the following:

- Be the Business (44% not aware)
- British Business Bank (37% not aware)
- Made Smarter (33% not aware)
- HVMC (31% not aware)

Innovate UK stands out, with under 30% of manufacturers indicating no awareness of its offering. There are also international schemes such as the €95 billion EU programme Horizon Europe, which, despite its size and relevance, over two-thirds of UK manufacturers surveyed said they have never heard of 16.

Despite how ambitious SME manufacturers are for growth, many of them do not have the internal resources to identify which types of schemes would be relevant for them and when. Many of the schemes of which manufacturers are unaware are celebrated by those businesses who do use them. Examples include Knowledge Transfer Partnerships (KTPs), the Catapult network, and the Business Growth Fund. Yet the number of those firms who are unaware of the opportunities these organisations offer indicates their risk of lost potential growth for the UK economy. Our analysis estimates that solving the barriers to accessing finance, which incorporates the impact of unawareness, could result in the manufacturing sector increasing investment in capital and R&D by an additional £9.2 billion<sup>17</sup>. Based on this, industry should consider working with Government to create tools that can improve the awareness of business support.

#### **LEARNING FROM THE DUTCH**

In the Netherlands, the Government offers many investment incentives through investment tax credits, including small investments tax credits, energy-efficiency tax credits (up to 40% if qualified), environment asset tax credits (27%-45%), wage costs (for eligible R&D activities) and of course an R&D tax credit like the UK. The Netherlands also has its own Patent Box equivalent.

#### What can the UK learn from the Netherlands' approach to incentives?

The country's approach to bonus credits for investments in specific activities (like how the Inflation Reduction Act intended to support investment in clean tech) is a great method of ensuring businesses are rewarded for activities that are in line with national objectives, such as decarbonising. Make UK previously called for special enhancements to be introduced into R&D tax credits if businesses were undertaking projects that would progress energy efficiency/net zero or digital adoption. Using the tools with the greatest awareness as a channel to reach the fastest growing companies can overcome some of the challenges associated with lack of awareness.



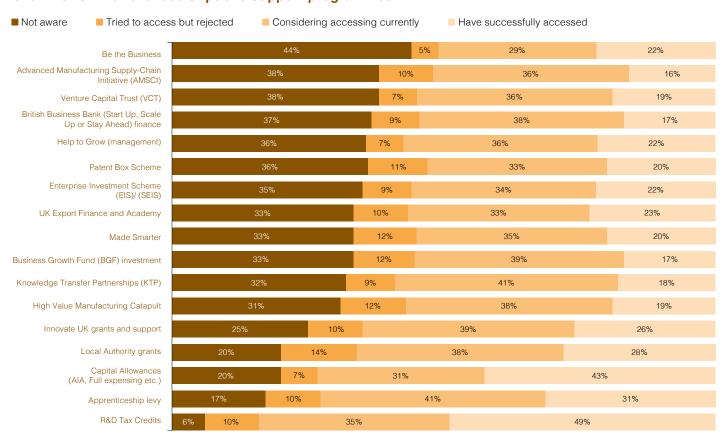
<sup>16</sup>Make UK/ NatWest, Finance: Opening doors to investment in manufacturing (2024)
 <sup>17</sup>Make UK/NatWest, Finance: Opening doors to investment in manufacturing (2024)

# SMEs are showing more interest in accessing public support

A large share of SMEs for many of these listed business support schemes are in the "considering accessing" category indicating that interest in accessing public support may be on the rise. Previous iterations of this finding have put much larger shares of organisations in the "not aware" group, with an average of around 20% of businesses in the "considering accessing" group. Now

between 30-40% of SMEs are looking to utilise the many tools that are available to them, likely motivated by incoming increases in costs (like Employer NIC, National Minimum wage, and other taxes). However, these previous studies accounted for the views of micro businesses too, where a greater lack of awareness may exist. This suggests that SMEs are sometimes somewhat aware about what is available out there but are unaware of its relevance to them.

#### Chart 13: SME awareness of public support programmes



Source: Make UK, ERA Foundation, Civitas, SME and High-growth manufacturing survey (2025)



## A COMPLETE SUITE OF BUSINESS SUPPORT

In Japan, there is an extensive network of support available to SMEs nationwide, which includes several programmes delivered harmoniously to target specific challenges. These include incubation facilities (that provide tailored advice to businesses, and are very similar to the Catapult network), and the CEO network enhancing project, helping SMEs increase their exports by setting up meetings between domestic CEOs with overseas CEOs. There is also the FASTER Acceleration programme which support SMEs with their monetisation and IP strategies ensuring they understand the regulatory and policy landscapes as their businesses grow.

### What can the UK learn from the Japanese approach?

The "whole package" delivery approach from finance and general business advice, to looking ahead for growth opportunities, ensures SMEs are less likely to miss out on opportunities due to a lack of time to research the multitude of support that is out there. The UK is certainly capable of delivering support this way given the institutions we need already exist and are well-funded.

# **Encouraging those on the fence to maximise** what is available to them

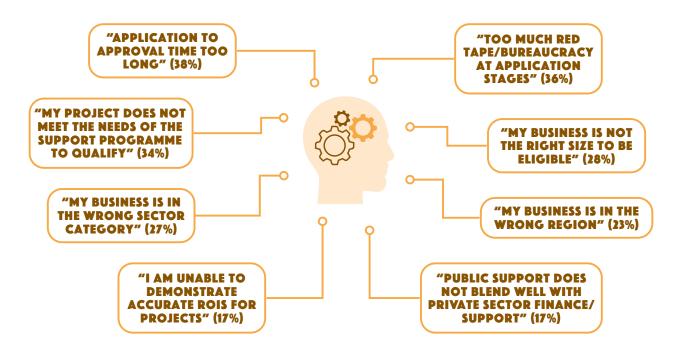
Asking those manufacturers who are aware of many support mechanisms, but have not yet used them, sheds light on how Government funding should be used to improve the current system.

Though there are many suggestions, most are not surprising with 38% of SMEs pointing out that application to approval times is often too time consuming, especially for high tech, dynamic businesses. This is followed by red tape and bureaucracy (36%) which is reminiscent of the changes

to R&D tax credits as well as the complexity of maximising capital allowances for non-traditional plant and machinery such as software.

There are also concerns about ineligibility, for example a firm being the wrong business size, operating in the wrong sector, or not meeting specific requirements such as job creation rates to qualify for support. This highlights a challenge for policy design in the new industrial strategy, which could silo manufacturers into arbitrary 'advanced' vs ostensibly 'non-advanced' categories, potentially excluding high-growth potential businesses from support.

### Main reasons for not accessing public support



# Is it the same issues for scale-ups and high-growth SMEs?

Whilst the fastest growing SMEs demonstrate many of the same issues as the average SME, the most fascinating difference which features for all groups for scale-ups and high-growth firms (except for scale-up by employment) is the lack of ability to combine public support with private support. This could have several meanings – the first could be an indication that public support by itself is not sufficient to help a business scale-up, which relates to the "valley of death" where business ideas can fail due to insufficient funding.

In addition, the blending of public and private support may be down to characteristic differences, such as private finance typically having shorter time horizons for approvals and less bureaucratic processes than public finance but accessing one may be conditional upon the other. This can happen when raising finance via private investors who offer funding upon the successful application of public support programmes like Made Smarter or BBB loans, without which the projects could fail, so private investors may not wish to take on the full risk themselves.

In that sense, government has a responsibility to acknowledge that public sector funding approval can act as a form of social proof that helps crowd in private sector investment. This brings to light the question of whether support for the most valuable and ambitious SMEs should be adjusted to account for how the private sector responds to public sector signals and endorsements. Such reforms would certainly be achievable through greater public-private cooperation between government and the finance industry to create complete packages of support that are accessible, long-term, and of sufficient scale to make a difference.

Accessing support reasons (Top 3)	Turnover	Employment
Scale-ups	<ul> <li>Public support does not blend well with private sector finance/support</li> <li>Too much red tape and bureaucracy at application stages</li> <li>My business is not the right size to be eligible</li> </ul>	<ul> <li>Application to approval too time consuming</li> <li>Too much red tape and bureaucracy at application stages</li> <li>My business is in the wrong sector category for eligibility</li> </ul>
High-Growth	<ul> <li>Public support does not blend well with private sector finance/support</li> <li>I am unable to demonstrate accurate ROIs for the projects</li> <li>Application to approval too time consuming</li> </ul>	<ul> <li>Public support does not blend well with private sector finance/support</li> <li>I am unable to demonstrate accurate ROIs for the projects</li> <li>My business is not the right size to be eligible</li> </ul>

# USING DIGITAL TECHNOLOGIES TO ELIMINATE BUREAUCRATIC INEFFICIENCY: THE ESTONIA CASE

The Estonian government's Bürokratt (KrattAI) system is an online digital platform designed to streamline and automate administrative processes within the Estonian state. It aims to improve efficiency, reduce paperwork, and enhance transparency in public services through a centralised database, the provision of online services, electronic document management, workflow automation, data analytics, transparency and accountability. The system is part of a broader e-government initiative aimed at modernising government services and improving the quality of life for citizens.

Bürokratt is an example of how digital services and the state could operate in the age of artificial intelligence and is an example of a sustainable artificial intelligence solution that is scalable and cost efficient while also improving service delivery. With Bürokratt, the goal has been to offer the best possible digital state experience in order to make communication with the state radically easier for both entrepreneurs and citizens by enabling automated access to all kinds of public services, from state pensions to social welfare support payments, to tax rebates and passport applications. Bürokratt enables the Estonian government to automatically inform citizens about the opportunities and benefits offered by the state – such as using Al to give tailored recommendations for jobseekers – and to answer questions and concerns around the clock in a manner that suits citizens without the need for extensive customer services teams.

# Applying the lessons from the Estonian case to pinpoint target scale-up support

As this report has highlighted, one important area where the British state struggles most in its correspondence with businesses concerns access to government support schemes, grants, tax rebates, and information dissemination. The majority of British manufacturers are SMEs. They are often family run or administered by a small team who are time poor, and resource constrained, leading to limited engagement with public sector initiatives.

If such government support and initiatives are to prove more successful in future, they need to be delivered in a way that is efficient, easily digestible, and therefore more effective. A British Bürokratt-type system oriented towards businesses could overcome many of these difficulties in a cost-effective way and have an exponential impact on boosting best practise, productivity, energy efficiency, exports, and economic growth. Using HMRC revenue reports and ONS headcount statistics, for example, cross referenced by SIC (Standard Industry Classification) codes which identify which sector or industry a company operates in, could be used to automatically identify companies in rapid periods of growth or those that have remained stagnant over time, and to then target interventions accordingly.

A start-up that goes from being a micro firm employing fewer than 10 people in a short space of time to employing just short of 250 people, and therefore reaching the threshold to be defined as a large employer, could automatically trigger an alert sent from relevant government bodies about programmes for government assistance concerning export supports and trade missions, or advise the firm about potential opportunities for collaboration with research institutions such as universities, Catapult centres, UKRI, or access to government procurement programmes or other relevant initiatives. The benefit of doing so is that it is both automated but also highly targeted and delivered in a timely manner at the point when the business is most likely to be interested in such information. This would align with the new Al Action Plan launched by Prime Minister Keir Starmer in January 2025. It would also help to improve business awareness and therefore likely improve business and economic performance in an efficient and cost-effective way, the benefits of which could be considerable.

To get this proposal over the line, a review of existing legislation is also needed, such as the Statistics of Trade Act 1947 which prevents Government from using data to efficiently target support to groups with specific characteristics, such as fast-growing SME businesses.



# RECOMMENDATIONS

# Create a British business version of the Bürokratt software, to pool data collected by bodies including HMRC and the ONS and use it to micro target support to identified companies.

The Government's recent State of Digital Government Review highlights the need to improve how digital technologies are used to better disseminate information to people and businesses. One key challenge is the difficulty British businesses face in accessing government export support schemes, procurement opportunities, grants, tax rebates, and information. Most British businesses, particularly manufacturers, are SMEs—often family-run or managed by small teams who are time and resource-constrained. As a result, these businesses struggle to engage with public sector initiatives and undertake the research required to stay updated on support opportunities. To improve effectiveness, government initiatives must be more efficient, digestible, and accessible. HMRC, the ONS, and other public bodies already collect valuable data on businesses, but it's not used effectively. By developing a digital platform to automatically cross-reference HMRC revenue reports with ONS headcount data and SIC codes, authorities could quickly identify businesses in growth or stagnation phases and send targeted alerts about relevant support opportunities. For example, a start-up growing from fewer than 10 employees to nearly 250 could automatically trigger an alert about export support, trade missions, or research collaborations. Such a digital platform would ensure businesses receive timely, relevant support, reducing failure risks during critical growth stages while ensuring taxpayer money is better spent than at present. This system would also align with Prime Minister Keir Starmer's January 2025 Al Action Plan, boosting business performance efficiently and cost-effectively, with potentially significant benefits.

# Review existing legislations to enable Government to actively use any data at its disposal to microtarget beneficial information to businesses.

Direct marketing data mining techniques that transmit a tailored message to a subgroup on the basis of unique information about that subgroup is an increasingly common practice of private sector commercial organisations but, in the UK, it is currently illegal for government and state bodies to use national statistics for similar purposes. Repeated business surveys, including research carried out for this report, demonstrate that raising awareness of relevant opportunities to businesses – concerning export support schemes, funding grants, tax rebates, and information dissemination – is an area where public sector communications struggle. This is having a detrimental impact on the uptake by businesses of relevant opportunities, and it is therefore impeding UK economic growth. Where necessary, government should review the Statistics of Trade Act 1947, the Statistics and Registration Service Act 2007, Data Protection Legislation (including the General Data Protection Regulation and the Data Protection Act 2018), and the Code of Practice for Statistics, to enable state bodies to identify firms based on the data they provide to the state and to micro target relevant tailored information to those businesses that might benefit their commercial performance and growth.

The Growth Mission: A Blueprint for Scaling up SME Manufacturers



# Conclusion

SMEs are critical to the make-up of any economy, and in the manufacturing sector they represent the true embodiment of achieving efficiency through the division of labour and specialisation. The outcome of this study revealed the ambition amongst SMEs to grow is remarkably great, with policymakers often believing the opposite to be the case, that many SMEs have grown accustomed to stagnating growth rates. Though, it is the reality that stagnating productivity growth has indeed become the norm in the UK, and something must be done to create the market conditions that match the ambition of SME manufacturers.

So far, actions have been limited from both policy and industry. SMEs must play their role in cooperating with industrial policy to ensure it is fit for purpose. If SMEs are serious about their ambitions to grow and scale-up, they must increase their effort to seek and engage with public support. It is through the continuous engagement of tools like capital allowances, R&D tax credits or the Catapult networks that enables us to build an understanding of what works and what does not.

Government has taken important steps in recent years to create a positive policy environment, such as making full expensing of capital allowances permanent, or capping the corporate tax rate and announcing intentions to publish an industrial strategy. The focus must be on delivering support

in a cohesive and collaborating manner so that businesses can access the support they need, when they need it, putting digital technologies at the heart of the process.

We must believe it is achievable and deliverable through supporting SMEs. Public support has become too complex to engage with for businesses, whether they are scale-ups or not. It is time to go back to the basics for business growth support. Starting with three key fundamentals, these are ensuring that there is a strong base of support for people, skills and technology, enabling access to market through export and import support and fuelling that growth with finance that rewards progress. Each of these must be channelled through a robust system of information-sharing that raises awareness and micro-targets businesses at the right place and time.

# SUMMARY OF ALL RECOMMENDATIONS

## TO GOVERNMENT:

### **PEOPLE AND DIGITAL**

- Provide long-term funding and strategic reinforcement for the Made Smarter Adoption programme to ensure sustained SME engagement in digital transformation.
- Improve transparency and accountability in skills funding with the transition to the Growth and Skills Levy.

### FINANCE

- Introduce a super-growth-allowance (130% capital allowance) for fast growing businesses.
- Create an enhanced Growth Enterprise Investment Scheme (GEIS), modelled after the existing SEIS/EIS.

### TRADE

- Introduce an Export Development Scheme to improve access to trade finance.
- Expand Export Finance services to incorporate additional risk management support.

### **AWARENESS**

- Create an online service application, modelled after the Bürokratt system, to pool existing data from institutions such as HMRC and the ONS.
- Review existing legislations to enable Government to actively use any data at its disposal to micro-target beneficial information to businesses.

### TO MANUFACTURERS:

- SMEs should collaborate with the education sector to share information (such as job descriptions, vacancies, skills) on their skills needs with relevant institutions (universities and colleges) and DfE to help shape future training. In turn, universities and colleges must create a clear, accessible route for SMEs to engage with them on their needs, for example by using digital solutions that allow SMEs to submit the information to learning providers for future training needs or creating local community events that bring employers and teachers together to collaborate more.
- Industry should work together with Government to develop an online platform which pools information on all SME business support to increase engagement with the sector.
- Be open about the challenges you face when growing your business, and actively engage with public support solutions. The more frequent and direct participation of public support is, the better the quality of feedback will be, enabling providers to proactively improve the quality of support available.
- Large manufacturers have a responsibility to help their SME suppliers identify and navigate government bureaucracy and available support schemes. By sharing knowledge and providing guidance, large companies can empower their suppliers to access funding, enhance capabilities, avail of procurement opportunities and scale up effectively.

# **Support for SME Manufacturers in the UK**

# 1. TAX RELIEF

Туре	Specific scheme	Details
Tax relief	R&D tax relief <sup>1</sup>	<ul> <li>R&amp;D tax relief allows SMEs to:</li> <li>Deduct an extra 86 per cent of qualifying expenditure from trading profit for tax purposes, as well as the normal 100 per cent deduction, to make a total of 186 per cent deduction.</li> <li>Claim a payable tax credit if the company has claimed relief and made a loss.</li> <li>The payable tax credit is worth up to:</li> <li>10 per cent of the surrenderable loss.</li> <li>14.5 per cent of the surrenderable loss if the company meets the intensity condition.</li> </ul>
	Patent Box²	The Patent Box is designed to encourage companies to keep and commercialise intellectual property in the UK. It allows companies to apply a lower rate of Corporation Tax to profits earned from its patented inventions.  Companies must elect into the Patent Box to apply the lower rate of Corporation Tax which is 10 per cent. This relief was introduced in phases from 2013 up until 2017.
	Business rates relief <sup>3</sup>	Business rates relief eligibility is determined by local councils, who also send business rates bills and collect business rates payments.  There are various types of business rates relief. Small businesses are eligible for business rate relief if:  The property's rateable value is less than £15,000  The business only uses one property. <sup>4</sup>
	Corporation Tax rates and reliefs <sup>5</sup>	Business pay Corporation Tax at the rates that applied in their company's accounting period for Corporation Tax. If companies make more than £250,000 profit, then they pay the main rate of Corporation Tax. If they instead make a profit of £50,000 or less, then they pay the 'small profits rate', which is 19%. Some business are entitled to 'Marginal Relief' if profits are between £50,000 and £250,000. This is where the £50,000 and £250,000 profit thresholds are proportionately reduced for short accounting periods and by the total number of 'associated companies' the company has.

'HMRC (2017) Research and Development (R&D) tax relief. Available at: <a href="https://www.gov.uk/government/collections/tesearch-and-development-rd-tax-relief">https://www.gov.uk/government/collections/tesearch-and-development-rd-tax-relief</a> (Accessed: 8 August 2024). 
\*HMRC (2007) Use the Patent Box to reduce your Corporation Tax on profits. Available at: <a href="https://www.gov.uk/guidance/corporation-tax-the-patent-box">https://www.gov.uk/gov.uk/gov.uk/guidance/corporation-tax-the-patent-box</a> (Accessed: 8 August 2024). 
\*UK Government. Business rates relief. Available at: <a href="https://www.gov.uk/guidance/corporation-tax-the-patent-box">https://www.gov.uk/guidance/corporation-tax-the-patent-box</a> (Accessed: 8 August 2024). 
\*UK Government. Business rates relief. Available at: <a href="https://www.gov.uk/guidance/corporation-tax-the-patent-box">https://www.gov.uk/guidance/corporation-tax-the-patent-box</a> (Accessed: 8 August 2024). 
\*UK Government. Business rates relief. Available at: <a href="https://www.gov.uk/guidance/corporation-tax-the-patent-box">https://www.gov.uk/guidance/corporation-tax-the-patent-box</a> (Accessed: 8 August 2024). 
\*UK Government. Business (Accessed: 5 August 2024). 
\*Interview of the patent-box (Accessed: 8 August 2024).

campaign=helpforbusinesses (Accessed: 5 August 2024).

4UK Government. Business rates relief. Available at: <a href="https://www.gov.uk/apply-for-business-rate-relief/small-business-rate-relief">https://www.gov.uk/apply-for-business-rate-relief/small-business-rate-relief</a> (Accessed: 15 August 2024).

Туре	Specific scheme	Details
Capital allowances	"Full Expensing"	From April 2023 until the end of March 2026, companies can claim 100 per cent capital allowances on qualifying plant and machinery investments. Full expensing allows companies to write off the cost of investment in one go. Under full expensing, for every pound a company invests, their taxes are cut by up to 25p.  Business benefits specifically from:  - Full expensing – which offers 100 per cent first-year relief to companies on qualifying new main rate plan and machinery investments from 1 April 2023 to 31 March 2026  - The 50 per cent first-year allowance (FYA) for expenditure by companies on new special rate (including long life) assets until 31 March 2026
	Annual Investment Allowance (AIA)	AIA allows businesses to claim 100 per cent of the cost of plant and machinery up to £1m in the year it is incurred.
	Writing Down Allowance (WDAs)	WDAs spread tax deductions over time at 18 per cent and 6 per cent a year for main rate and special rate expenditure respectively.
	Structures and Buildings Allowances (SBAs)	SBAs allow a business to deduct 3 per cent per year over 33 1/3 years for qualifying expenditure on non-residential structures and buildings.
	First-Year Allowances (FYAs)	FYAs allow a company to claim a percentage of the cost of plant and machinery investments in the year it is incurred.

# 2. NATIONAL GROWTH AND ENTERPRISE FUNDS/PROGRAMMES

Туре	Specific scheme	Details
"Help to Grow" Campaign <sup>6</sup>	Local Growth Hubs <sup>7</sup>	Growth Hubs across England provide local businesses of any size or sector with advice and access to support for any stage of their business journey via a free and impartial single point of contact. Growth Hubs bring together national and local support from public and private sectors, academia and the third sectors on matters of business growth, management, skill, access to finance, innovation, and net zero. Examples include the Berkshire Growth Hub. <sup>8</sup>
	Other courses and essential help	The "Help to Grow" campaign also provides courses and help for SME leaders issues such as management essentials, starting-up, scaling-up and growing, finance and funding, and selling internationally.
Large-scale investment schemes and unique tariff areas	Freeports <sup>9</sup>	Freeports are special areas that have been created by government to boost investment into parts of the country that have historically missed out. They generate generous packages of incentives and good port infrastructure (sea and air).
	Investment Zones <sup>10</sup>	Investment Zones are areas where central and local government work with business and local partners to create the conditions for investment and innovation. They deploy a range of interventions – including tax relies, planning mechanisms and innovation, skills and business support – to unlock opportunities for business and address barriers to private sector growth. A number of investment zones have strategies in place for manufacturing.
Local authority (LA) grants	Current providers	LA grants for local SMEs. A list of currently operating council business grants schemes can be found here: <a href="https://smallbusiness.co.uk/how-to-get-a-business-grant-from-the-council-2127363/">https://smallbusiness.co.uk/how-to-get-a-business-grant-from-the-council-2127363/</a>
Catapults	High Value Manufacturing Catapult, WMG at Warwick Univeristy <sup>11</sup>	Catapults works with thousands of companies, including SMEs, each year to boost the UK's manufacturing performance. Their facilities help to move cutting-edge research from the UK's leading universities into the commercial market, supporting companies to transform the products they sell, the way them make them and the skills of their workforce. Since 2018, and despite COVID, WMG has secured additional employment of 464, safeguarded employment of 1,629, secured additional GVA of £31.4m and safeguarded GVA of £112m.

<sup>6</sup>UK Government. Help to Grow. Available at: <a href="https://helptogrow.campaign.gov.uk/">https://helptogrow.campaign.gov.uk/</a> (Accessed: 8 August 2024).
7UK Government. Get support from your local Growth Hub team. Available at: <a href="https://helptogrow.campaign.gov.uk/get-support-from-your-local-growth-hub-team/">https://helptogrow.campaign.gov.uk/</a> (Accessed: 8 August 2024).
6Berkshire Growth Hub. Available at: <a href="https://berkshiregrowthhub.co.uk/">https://berkshiregrowthhub.co.uk/</a> (Accessed: 19 September 2024).
6Ministry of Housing, Communities and Local Government and Department for Levelling Up, Housing and Communities (2021) Freeports. Available at: <a href="https://www.gov.uk/guidance/">https://www.gov.uk/guidance/</a> (Accessed: 8 August 2024).
6Ministry of Housing, Communities (Accessed: 8 August 2024).
6Ministry of Housing and Communities (2021) Freeports. Available at: <a href="https://www.gov.uk/guidance/">https://www.gov.uk/guidance/</a> (Accessed: 8 August 2024).
6Ministry of Housing and Communities (2021) Freeports. Available at: <a href="https://www.gov.uk/guidance/">https://www.gov.uk/guidance/</a> (Accessed: 8 August 2024).

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pecific scheme	Details
lentorsMe <sup>12</sup>	MentorsMe is a site offering businesses access to other quality-assured business mentoring organisations across Britain. It is administered by UK Finance.
nowledge Transfer artnerships (TPs) <sup>13</sup>	KTPs connect businesses that have innovation ideas with academic expertise which may help deliver it.  KTPs are run by Innovate UK, part of UK Research and Innovations which helps companies to grow through their development and commercialisation of new products, processes and services.
novate UK usiness Growth <sup>14</sup>	Innovate UK Business Growth is part of UK Research and Innovations which helps to provide SMEs with innovation and growth specialists on issues from IP expertise, to investor networks and international partnerships.
ritish Chambers of ommerce <sup>15</sup>	The UK's 52 regional chambers provide local members with access to markets, advisory services and representation through policy and campaigns.
Venta mentor cheme - edfordshire, uckinghamshire nd Hertfordshire 16	Offers a maximum of six months of free business support through a mentor scheme. Organised by Wenta.
he MTC <sup>17</sup>	The MTC partners with SMEs in manufacturing and technology. It has seven impact areas: product innovation and development; process innovation and development; digital transformation solutions; growth and scaling; supply chain transformation; sustainable manufacturing and net zero; and skills and training.
	Established in October 2016 with a contract worth £10.5 million from the European Regional Development Fund (ERDF). Designed to support SME manufacturing businesses across 18 Local Enterprise Partnerships (LEPs) across England.
he Manufacturing	Delivered by a purpose-built organisation called Economic Growth Solutions Ltd for delivering business support programmes.
Irowth Programme MGP)  losed for new applicants in 30 June 2023)18	Joined Oxford Innovation Advice in April to deliver a further £11.8m of ERDF support to continue SME manufacturer support across those 18 LEP regions.
	In May 2020, the MGP secured an additional £6.5m to expand into another LEP and to extend the programme.
	MGP is committed to delivering a further 3,800 improvement projects and create an additional 2,500 new jobs whilst providing business support.
iru rio /eleun	entorsMe <sup>12</sup> nowledge Transfer artnerships TPs) <sup>13</sup> novate UK usiness Growth <sup>14</sup> itish Chambers of ommerce <sup>15</sup> enta mentor heme - edfordshire, uckinghamshire dd Hertfordshire <sup>16</sup> ne MTC <sup>17</sup> ne MTC <sup>17</sup> ne Manufacturing rowth Programme IGP) psed for new applicants

<sup>12</sup>Mentorsme.co.uk. Available at: <a href="https://www.mentorsme.co.uk/">https://www.mentorsme.co.uk/</a> (Accessed: 8 August 2024).

13Knowledge Transfer Partnerships. Available at: <a href="https://www.ktp-uk.org/">https://www.ktp-uk.org/</a> (Accessed: 8 August 2024).

14Innovate UK. \*\*Business Growth\*\*. Available at: <a href="https://iuk.ktn-uk.org/business-growth/">https://iuk.ktn-uk.org/business-growth/</a> (Accessed: 8 August 2024).

15British Chambers of Commerce. \*\*UK Chamber Network\*\*. Available at: <a href="https://www.britishchambers.org.uk/join-the-chamber-network/uk-chamber-network/">https://www.britishchambers.org.uk/join-the-chamber-network/uk-chamber-network/</a> (Accessed: 8 August 2024).

15Department for Business and Trade (2017) \*\*Wenta mentor scheme-bedfordshire-buckinghamshire-and-hertfordshire (Accessed: 6 August 2024).

15The MTC. \*\*Support for SMEs\*\*. Available at: <a href="https://www.the-mtc.org/sme">https://www.the-mtc.org/sme</a> (Accessed: 5 August 2024).

18The Manufacturing Growth Programme. \*\*About The Programme\*\*. Available at: <a href="https://www.manufacturinggrowthprogramme.co.uk/about-the-programme/">https://www.manufacturinggrowthprogramme.co.uk/about-the-programme/</a> (Accessed: 5 August 2024).

Туре	Specific scheme	Details
	Be the Business <sup>19</sup>	<ul> <li>For UK-based small business leaders who are actively seeking to invest into making improvements to their productivity. Be the Business offers:</li> <li>A six-month Productivity Programme: Designed to help SMEs tackle business efficiency challenges</li> <li>Support network: Access to experienced senior professionals at the UK's largest corporations</li> <li>Community membership: Community to connect with other SME leaders.</li> </ul>
	GetSet for Growth - England <sup>20</sup>	Organised by YTKO Group. Helps small and medium-sized enterprises (SMEs) get finance and grow their businesses.
Mentoring and collaborative, and	Kick Off in Business  – business start- up and self employment online courses <sup>21</sup>	One-week free online programme helping individuals in England start businesses or become self-employed.
advice and support services – national	Acas <sup>22</sup>	A free and confidential helpline, alongside business guidance and training.
	Help to Grow: Management - UK <sup>23</sup>	Funded by HM Government and delivered by the Small Business Charter. Management support for SME business leaders looking to grow and improve business.
	CompeteFor contract service - UK <sup>24</sup>	Organised by BiP Solutions. Free support to help businesses in acquiring public and private sector contracts.
	Fit to Bid <sup>25</sup>	Through Branduin Business Support Ltd. Fully-funded workshops and one-to-one advice to help businesses successfully bid for contracts.
	Better Business Finance - UK <sup>26</sup>	Managed by UK Finance. Provides SMEs with access to finance providers across the UK.

<sup>19</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2022) Be the Business. Available at: https://www.gov.uk/business-finance-support/be-the-

<sup>&</sup>lt;sup>10</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2022) *Be the Business*. Available at: <a href="https://www.gov.uk/business-finance-support/be-the-business-uk/Accessed: 5 August 2024).</a>
<sup>20</sup>Department for Business and Trade (2017) *GetSet for Growth – England*. Available at: <a href="https://www.gov.uk/business-finance-support/getset-for-growth-england">https://www.gov.uk/business-finance-support/getset-for-growth-england</a> (Accessed: 6 August 2024).
<sup>21</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2018) *Kick Off in Business – business start-up and self employment online courses*. Available at: <a href="https://www.gov.uk/business-finance-support/kick-off-in-business-business-start-up-workshops">https://www.gov.uk/business-finance-support/kick-off-in-business-business-start-up-workshops</a> (Accessed: 6 August 2024).
<sup>22</sup>Department for Business and Trade (2017) *Advisory, Conciliation-and-arbitration-service-acas-uk* (Accessed: 5 August 2024).
<sup>23</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2017) *Help to Grow: Management – UK*. Available at: <a href="https://www.gov.uk/business-finance-support/competefor-contract-service-uk">https://www.gov.uk/business-finance-support/competefor-contract-service-uk</u> (Accessed: 6 August 2024).
<sup>24</sup>Department for Business and Trade (2017) *CompeteFor contract service – UK*. Available at: <a href="https://www.gov.uk/business-finance-support/competefor-contract-service-uk">https://www.gov.uk/business-finance-support/competefor-contract-service-uk</a> (Accessed: 6 August 2024).
<sup>24</sup>Department for Business and Trade (2017) *CompeteFor contract service – UK*. Available at: <a href="https://www.gov.uk/business-finance-support/competefor-contract-service-uk">https://www.gov.uk/business-finance-support/competefor-contract-service-uk</a> (Accessed: 6 August 2024).

August 2024).

\*Department for Business and Trade (2022) Fit to Bid. Available at: <a href="https://www.gov.uk/business-finance-support/fit-to-bid">https://www.gov.uk/business-finance-support/fit-to-bid</a> (Accessed: 6 August 2024).

\*Department for Business and Trade (2017) Better Business Finance – UK. Available at: <a href="https://www.gov.uk/business-finance-support/better-business-finance">https://www.gov.uk/business-finance-support/fit-to-bid</a> (Accessed: 6 August 2024).

Туре	Specific scheme	Details
National SME growth and enterprise funds	Aerospace Technology Institute (ATI) programme funding for non-CO2 projects <sup>27</sup>	Funding for research and technology development in civil aerospace.  Coordinated and managed by:  The Department for Business and Trade (DBT)  Innovate UK (IUK), part of UK Research and Innovation (UKRI)  ATI.
	Gigabit Broadband Voucher Scheme (GBVS) - UK <sup>28</sup>	Part of government programme. Grant contribution of up to £3,500 as part of a group to improve business broadband quality. Available to rural SMEs in England, Scotland, Wales and Northern Ireland.
	Advanced Manufacturing Supply Chain Initiative Recycled Fund - England <sup>29</sup>	Organised by Frontier Development Capital Ltd. Loan fund for SMEs in the manufacturing supply chain who are looking for investment.
	HSBC's SME Fund <sup>30</sup>	Commitment of £15bn to help UK SMEs to develop.  Funding of £2bn for UK companies exploring international opportunities. Allocations have also been made for specific sectors, including £1.2bn for the agriculture sector, and £500m each for tech sector and franchise sector businesses.
	National Tooling Loan Fund - England <sup>31</sup>	Organised by Frontier Development Capital. Loans for toolmakers and component manufacturers, intended to fund the design, development, and manufacture of tooling.
Combination of business advice and funding – national	Funding and advice for space services - UK <sup>32</sup>	Funding, technical and business expertise, networks and partnerships for businesses who are looking to develop a space-based service.  Organised by European Space Agency.
	Innovate UK - grant funding, innovation loans and expert support <sup>33</sup>	Supports UK businesses to looking to innovate, including with new technologies.
	Enterprise programme for young people - UK <sup>34</sup>	Advisory support for aged 18 to 30 exploring setting up their own business in England, Scotland, Wales or Northern Ireland. Organised by The Prince's Trust.

<sup>&</sup>lt;sup>27</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2024) Aerospace Technology Institute (ATI) programme funding for non-CO2 2"Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2024) Aerospace Technology Institute (ATI) programme funding for non-CC projects. Available at: https://www.gov.uk/business-finance-support/aerospace-technology-institute-ati-programme-funding-for-non-co2-projects (Accessed: 5 August 2024).

2"Department for Business and Trade (2018) Gigabit Broadband Voucher Scheme (GBVS) – UK. Available at: https://www.gov.uk/business-finance-support/gigabit-broadband-voucher-scheme-gbvs-uk (Accessed: 7 August 2024).

2"Department for Business and Trade (2022) Advanced Manufacturing Supply Chain Initiative Recycled Fund − England. Available at: https://www.gov.uk/business-finance-support/advanced-manufacturing-supply-chain-initiative-recycled-fund-england (Accessed: 5 August 2024).

3"HSBC. Our £15bn lending fund is your big opportunity. Available at: https://www.business.hsbc.uk/en-gb/campaigns/fund-for-smes#:~:text=We've%20committed%20

2"C2%A315bn.of%20%C2%A32bn%20is%20available. (Accessed: 9 August 2024).

<sup>&</sup>lt;sup>31</sup>Department for Business and Trade (2017) National Tooling Loan Fund – England. Available at: <a href="https://www.gov.uk/business-finance-support/tooling-loan-fund-birmingham">https://www.gov.uk/business-finance-support/tooling-loan-fund-birmingham</a> (Accessed: 5 August 2024).

<sup>&</sup>lt;sup>32</sup>Department for Business and Trade (2017) Funding and advice for space services – UK. Available at: https://www.gov.uk/business-finance-support/funding-and-advice-forspace-services-uk (Accessed: 6 August 2024).

30 Department for Business and Trade (2017) Innovate UK - grant funding, innovation loans and expert support. Available at: https://www.gov.uk/business-finance-support/

innovate-uk-grant-funding-innovation-loans-and-expert-support (Accessed: 6 August 2024).

4Department for Business and Trade (2017) Enterprise programme for young people – UK. Available at: https://www.gov.uk/business-finance-support/enterprise-programme-

for-young-people-uk (Accessed: 6 August 2024).

# 3. VENTURE CAPITAL SCHEMES AND PRIVATE FINANCE

Туре	Specific scheme	Details
Venture capital schemes <sup>35</sup>	The Enterprise Investment Scheme (EIS) <sup>36</sup>	EIS is available for companies (or groups of companies) if, at the time of investment, it has:  - No more than £15 million in gross assets - Fewer than 250 employees - Been no more than 7 years since its first commercial sale  There may be higher limits if a company carries out research, development or innovation and meets certain conditions.
	The Seed Enterprise Investment Scheme (SEIS) <sup>37</sup>	SEIS is available for companies (or groups of companies) if, at the time of investment, it has:  - No more than £350,000 in gross assets  - Fewer than 25 employees  - Not previously carried out a different trade  Companies are ineligible if they have already has investment through EIS or a VCT.
	Venture Capital Trust (VCT) <sup>38</sup>	A VCT is a company that has been approved by HMRC and invests in, or lends money to, unlisted companies. A VCT may invest in your company if it has:  - No more than £15 million in gross assets - Fewer than 250 employees - Not been more than 7 years since its first commercial sale  There may be higher limits if a company carries out research, development or innovation and meets certain conditions.
Private finance	Business Growth Fund (BGF) <sup>39</sup>	BGF is the most active equity investor in the UK and Ireland, and provides businesses with an initial investment of £3m-£30m, with significant follow-on funding available for new growth opportunities.  To apply for funding from BGF's Growth team, your business must be:  Headquartered in the UK or Ireland  Not pre-revenue or startup  Typically profitable  Not FCA-regulated  Turnover of £2m+  Strong track record and growth strategy

SHMRC (2016) Use a venture capital scheme to raise money for your company. Available at: https://www.gov.uk/guidance/venture-capital-schemes-raise-money-by-offering-tax-reliefs-to-investors (Accessed: 8 August 2024).

SHMRC (2016) Apply to use the Enterprise Investment Scheme to raise money for your company. Available at: https://www.gov.uk/guidance/venture-capital-schemes-apply-for-the-enterprise-investment-scheme (Accessed: 8 August 2024).

SHMRC (2016) Apply to use the Enterprise Investment Scheme to raise money for your company. Available at: https://www.gov.uk/guidance/venture-capital-schemes-apply-for-the-enterprise-investment-scheme (Accessed: 8 August 2024).

to-use-the-seed-enterprise-investment-scheme (Accessed: 8 August 2024).

38HMRC (2016) Venture Capital Schemes Manual. Available at: https://www.gov.uk/hmrc-internal-manuals/venture-capital-schemes-manual/vcm50000 (Accessed: 8 August 2024). 39BGF. About. Available at: https://www.bgf.co.uk/about/ (Accessed: 8 August 2024).

# 4. SKILLS SUPPORT

Туре	Specific scheme	Details
Online resource	The Skills Toolkit <sup>40</sup>	The Skills Toolkit provides anyone in the UK, including SME employees, with free courses to help learn new skills or change jobs. This includes general skills, applicable in all sectors, and more specialised skills including: practical maths, computer essentials, personal growth and wellbeing, professional development, business and finance, digital design and marketing, computer science, and coding.
Local enterprise partnerships		Replaced by new local skills improvement plans.
Local skills improvement plans (LSIPs)		LSIPs provide advisory support to employers and training providers in order to improve working arrangements between employers and training providers to help learners gain the right skills they need for good jobs. Builds on the strategic development fund (SDF) which was piloted in 2021 to 2022 and expanded across England in 2022 to 2023. <sup>41</sup> LSIPs are developed and reviewed by Employer Representative Bodies (ERBs). These are mostly local Chambers of Commerce, as well as a few specific local organisations. <sup>42</sup>
Digital technology	Made Smarter <sup>43</sup>	Commissioned by the UK Government, Made Smarter provides digital technology support for manufacturers including:  Impartial business growth advice  Specialist technology advice  Guidance for skills and culture development  Digital transformation and road-mapping workshops  Funding opportunities  Leadership development

<sup>&</sup>lt;sup>40</sup>National Careers Service. *The Skills Toolkit*. Available at: <a href="https://nationalcareers.service.gov.uk/find-a-course/the-skills-toolkit">https://nationalcareers.service.gov.uk/find-a-course/the-skills-toolkit</a> (Accessed: 8 August 2024).

<sup>41</sup>Department for Education (2024) *Local skills improvement plans (LSIPs)* and local skills improvement fund (*LSIF*). Available at: <a href="https://www.gov.uk/government/publications/identifying-and-meeting-local-skills-needs-to-support-growth/local-skills-improvement-plans-lsips-and-strategic-development-funding-sdf (Accessed: 19 September 2024).

<sup>42</sup>Department for Education (2024) *Local skills improvement plans and designated employer representative bodies*. Available at: <a href="https://www.gov.uk/government/publications/designated-employer-representative-bodies">https://www.gov.uk/government/publications/designated-employer-representative-bodies</a> (Accessed: 25 September 2024).

<sup>43</sup>Made Smarter. Available at: <a href="https://www.madesmarter.uk/">https://www.madesmarter.uk/</a> (Accessed: 8 August 2024).

Туре	Specific scheme	Details
Levy	Apprenticeship Levy (AL)	The AL is a UK tax on employers used to fund apprenticeship training. It is payable by all employers with an annual pay bill of more than £3 million, at a rate of 0.5 per cent of their total pay bill. It is collected through the PAYE process alongside other employment taxes.  Funds are placed into a digital account which employers can use to pay for apprenticeship training and assessment. Funds must be used within 24 months or they expire.  Labour has pledged there will be a comprehensive strategy for post-16 education, involving reform to apprenticeships and the AL. Labour have also proposed a new Growth and Skills Levy with the aim of providing businesses with greater flexibility by making funds available for a range of training courses, not just apprenticeship schemes.   The new Growth and Skills Levy:  Up to 50% of a company's total Levy contributions can be used on non-apprenticeship training whilst the remaining 50% remains reserved for apprenticeships.  Companies who do not pay the levy will continue to receive 95% funding.
Training provision (charitable)	Enginuity	Enginuity are members of the Federation for Industry Sector Skills & Standards. They are 'a charity dedicated to helping employers find new ways to close the skills gap' in the manufacturing sector. 46

<sup>&</sup>lt;sup>44</sup>O'Gorman, S. and Frederick, A. (2024) New Deal talking points: What are Labour's plans for apprenticeships? Available at: <a href="https://www.lewissilkin.com/en/insights/new-deal-talking-points-whatare-labours-plans-for-apprenticeships">https://enginuity.com/en/insights/new-deal-talking-points-whatare-labours-plans-for-apprenticeships</a>; (Accessed: 8 August 2024).

<sup>45</sup>FISSS. Our Members: Employer Led Partnerships. Available at: <a href="https://enginuity.org/who-we-are">https://enginuity.org/who-we-are</a> (Accessed: 15 August 2024).

<sup>46</sup>Enginuity. Who We Are. Available at: <a href="https://enginuity.org/who-we-are">https://enginuity.org/who-we-are</a> (Accessed: 15 August 2024).

# 5. BOOSTING EXPORTS

Туре	Specific scheme	Details
UK Export Finance (UKEF)	Great campaign <sup>47</sup>	UKEF are the UK government's export credit agency. In 2022-23, they gave £6.5 billion of financial support to UK exporters including SMEs. The Great campaign provides information regarding export finance to all businesses.
	UK Export Academy <sup>48</sup>	UK Export Academy provides information and runs events on how to secure overseas deals for British business.
	General Export Facility (GEF) <sup>49</sup>	Helps SMEs increase export volumes through financing. The GEF can support facilities of up to £25 million.
Advice	Empowering SMEs in International Trade programme <sup>50</sup>	Operational and compliance trade support for exporters and importers. Up to 30 hours. Designed to help business in:  Overcoming barriers in global trade Growing their brands overseas Establishing more cost-effective, resilient, and sustainable supply chains.  For SMEs in East Midlands. Through Global Trade Development Ltd, funded by the East Midlands Growth Hubs: Business Gateway, D2N2 and Business Lincolnshire. <sup>51</sup>

<sup>4°</sup>Great.gov.uk. Available at: <a href="https://www.great.gov.uk/">https://www.great.gov.uk/</a> (Accessed: 8 August 2024).

4°Great.gov.uk. UK Export Academy. Available at: <a href="https://www.great.gov.uk/export-academy/">https://www.great.gov.uk/export-academy/</a> (Accessed: 8 August 2024).

4°UKEF. General Export Facility. Available at: <a href="https://www.ukexportfinance.gov.uk/products-and-services/general-export-facility/#:~:text=Designed%20for%20SMEs%2C%20the%20">https://www.ukexportfinance.gov.uk/products-and-services/general-export-facility/#:~:text=Designed%20for%20SMEs%2C%20the%20</a> General.to%20help%20grow%20your%20business. (Accessed: 5 August 2024).

5°Department for Business and Trade (2023) Empowering SMEs in International Trade programme. Available at: <a href="https://www.gov.uk/business-finance-support/empowering-smes-in-international-trade/">https://www.gov.uk/business-finance-support/empowering-smes-in-international-trade/</a> (Accessed: 16 August 2024).

5°Global Trade Development. Empowering SMEs in International Trade. Available at: <a href="https://www.globaltradedept.com/empowering-smes-in-international-trade/">https://www.globaltradedept.com/empowering-smes-in-international-trade/</a> (Accessed: 16 August 2024).

# 6. BRITISH BUSINESS BANK INITIATIVES

Туре	Specific scheme	Details
Funding via the British Business Bank	Equity and debt- based finance	The British Business Bank facilitates a range of Equity finance including:  - Angel Investment  - Venture Capital  - Equity Crowdfunding  - Private Equity  Debt-based finance is also available including:  - Overdrafts  - Term Loans  - Start-up Loans  - Asset-Based Lending  - Invoice Finance  - Peer-to-Peer Lending  - Leasing & Hire Purchase  - Export Finance  - Mezzanine finance  Business grants are also available.
	UK Government backed Start-up Loan	Government-backed start up loans are available from the British Business Bank. Loans are:  - Up to £25,000  - At a fixed Interest rate of 6 per cent per year  - Repayable over a term of 1 to 5 years  Available with 12 months of free mentoring
	Future Fund: Breakthrough⁵²	The Future Fund: Breakthrough is a £425m UK-wide programme which encouraged private investors to co-invest in high-growth, innovative firms.  The programme makes equity co-investments with private sector investors in growth stage Research & Development (R&D) intensive British companies operating in breakthrough technology sectors. The minimum total investment round size is £20m. The maximum Future Fund: Breakthrough share of an investment round is 30 per cent.  It is a separate programme to the now closed Future Fund that provided convertible loans, valued up to £5m, to a broad range of innovative companies to address the funding challenges caused by Covid-19.
	SME regional fund, example: Investment Fund - North of England <sup>53</sup>	Organised by Northern Powerhouse Investment Fund. Finance to help SMEs in the North West, Yorkshire, the Humber and Tees Valley.

ESBritish Patient Capital. Future Fund: Breakthrough. Available at: https://www.britishpatientcapital.co.uk/what-we-do/future-fund-breakthrough (Accessed: 8 August 2024).

Superarment for Business and Trade (2017) Investment Fund - North of England. Available at: https://www.gov.uk/business-finance-support/investment-fund-north-of-england (Accessed: 8 August 2024).

Туре	Specific scheme	Details
Funding via the	SME regional fund: example: Midlands Engine Investment Fund II – Debt Fund <sup>54</sup>	Part of the Midlands Engine Investment Fund II. Offer flexible loans to SMEs looking to grow in order to help their expansion plans across the Midlands Engine area.
British Business Bank	Peer to peer loan, example: Funding Circle - UK <sup>55</sup>	Peer-to-peer loans for established SMEs in England, Scotland, Wales and Northern Ireland.  Funding Circle have worked with the British Business Bank since 2013. One of the largest providers of Government-backed loans including through the Growth Guarantee Scheme. 56

<sup>&</sup>lt;sup>54</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2020) *Midlands Engine Investment Fund II – Debt Fund*. Available at: <a href="https://www.gov.uk/business-finance-support/midlands-engine-investment-fund-debt-fund">https://www.gov.uk/business-finance-support/midlands-engine-investment-fund-debt-fund</a> (Accessed: 8 August 2024).

<sup>55</sup>Department for Business and Trade (2017) *Funding Circle – UK*. Available at: <a href="https://www.gov.uk/business-finance-support/funding-circle-uk">https://www.gov.uk/business-finance-support/funding-circle-uk</a> (Accessed: 7 August 2024).

<sup>56</sup>Funding Circle. Available at: <a href="https://www.fundingcircle.com/uk/businesses/?utm\_source=BusinessSupportFinder&utm\_medium=Partner&utm\_content=Checkifyouqualify&utm\_campaign=BusinessSupportFinder (Accessed: 19 August 2024).

# 7. REGIONAL GROWTH, ENTERPRISE AND SUPPORT FUNDS

Туре	Specific scheme	Details
	Access to finance - Greater Manchester and Lancashire <sup>57</sup>	Access to finance helps businesses looking to grow at raising finance. Organised by GM Business Growth Hub.
	South West Manufacturing Advisory Service (SWMAS) <sup>58</sup>	The South West Manufacturing Advisory Service (SWMAS) provides advisory support to SME manufacturers across the South West of England, looking to improve productivity and stimulate growth.
	Two Zero - Lancashire <sup>59</sup>	Growth support for scale-up businesses. Organised and led by Lancashire County Council.
Advice/support – regional	London Business Partnership - Property Advice Service <sup>60</sup>	An advisory support programme designed to help businesses with renting commercial property. Available to London-based SMEs at all trading stages with an annual turnover below £44 million. Delivered by London Business Partnership.
	E-Business Support Programmes <sup>61</sup>	Available in Greenwich and Bexley; and Newham, Havering, and Barking and Dagenham. Offers advice and training. Organisers are: Enterprise Enfield, South East Enterprise, and Newham College of Further Education.
	Barking Enterprise Centres - London <sup>62</sup>	Free support and help in accessing low-cost flexible workspace for new and existing SMEs in Barking and Dagenham. Organised by Barking Enterprise Centres.
	JumpStart <sup>63</sup>	Business support workshops for those exploring self-employment and starting a business. For businesses in Warwickshire. Organised by Coventry & Warwickshire Reinvestment Trust.
	Get Enterprising - Hertfordshire <sup>64</sup>	Advisory support service. Offers fully-funded one-to-one support to early stage businesses. Organised by Wenta.
	Biorenewables Development Centre (BDC) – Yorkshire <sup>65</sup>	Advisory support for scientists and business specialists, in particular for solving process, material, or product development challenges. Delivered by BDC.

<sup>&</sup>lt;sup>57</sup>Department for Business and Trade (2017) Access to finance - Greater Manchester and Lancashire. Available at: https://www.gov.uk/business-finance-support/access-tofinance-advice-north-west-england (Accessed: 5 August 2024).

SeCBN. SWMAS. Available at: https://www.cbn.expert/swmas-ltd/#:~:text=The%20South%20West%20Manufacturing%20Advisory.and%20stimulate%20their%20growth%20

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61UK Government. Finance and support for your business. Available at: https://www.gov.uk/business-finance-support?industries%5B%5D=manufacturing&business

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Туре	Specific scheme	Details
	Growth through Mentoring – North East England <sup>66</sup>	Mentoring for growing businesses in the North East of England. Organised by North East Growth Hub.
	Starting in business programme - Derbyshire, Nottinghamshire and Greater Lincolnshire <sup>67</sup>	Four-day workshop on starting and running a successful business available in Derbyshire, Nottinghamshire and Greater Lincolnshire. Organised by NBV Enterprise Solutions Ltd.
	Business advice and support - South East England <sup>68</sup>	Free advice, planning and on-going support for business start-ups. Organised by Business South.
Advice/support – regional	Growth Start-up Support Programme - Greater Manchester <sup>69</sup>	Advisory support programme to help business start-ups in the Greater Manchester area. Organised by Business Growth Hub.
	Growth Programme Buckinghamshire <sup>70</sup>	Offers professional advice and practical support for businesses in Buckinghamshire. Buckinghamshire Business First, funded by UK Government. <sup>71</sup>
	Business advice and training - East of England and London <sup>72</sup>	Advice, workshops and loans for those looking to start a business and businesses that have been trading less than two years in Norfolk, Suffolk and London. Organised by NWES.
	Start-up Programme <sup>73</sup>	A range of tailored advice and support services for early-stage businesses in New Anglia covering Norfolk and Suffolk. Fully funded and start-up activities are delivered by Nwes and Menta.
	Business advice, start-up services and business support - Essex <sup>74</sup>	One-to-one advice, signposting, start-up services, training and premises. Organised by Colchester Business Enterprise Agency (COLBEA).

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<sup>70</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2023) *Growth Programme Buckinghamshire*. Available at: <a href="https://www.gov.uk/business-finance-support/growth-programme-buckinghamshire">https://www.gov.uk/business-finance-support/growth-programme-buckinghamshire</a> (Accessed: 7 August 2024).

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Туре	Specific scheme	Details
	Business advice, training and support services - North Somerset <sup>75</sup>	Information, advice, training and support for businesses based in North Somerset. Organised by North Somerset Enterprise Agency.
	Business and Intellectual Property Centre - British Library London <sup>76</sup>	Advice, databases, publications and workshops for business owners, innovators and entrepreneurs. Organised by British Library.
	Business Assist - NBV <sup>77</sup>	One-to-one advisory sessions and specialised workshops available for businesses in Derbyshire, Nottinghamshire and Greater Lincolnshire. Organised by NBV Enterprise Solutions Ltd.
Advice/support –	Business Continuity Forum - Manchester <sup>78</sup>	Forum looking to increase awareness of business continuity management in Manchester's business and voluntary sector. Organised by Manchester City Council.
regional	Business Development Grant Scheme – Scarborough <sup>79</sup> (currently not accepting applications) <sup>80</sup>	Grants to help new start-up and established SMEs looking to grow or relocate to the Borough of Scarborough. Organised by local council.
	Business start-up support - North Tyneside <sup>81</sup>	Free start-up and ongoing support for businesses in North Tyneside. Organised by The Business Factory, North Tyneside Council's business support programme.
	Business support - West Berkshire <sup>82</sup>	Planning, marketing strategy, investment and general guidance for businesses in or looking to relocate to West Berkshire. Organised by West Berkshire Council.
	CDC Enterprise Agency - Durham <sup>83</sup>	Advice and support for new and established businesses. Organised by CDC Business Partnership.
	Digital Creative & Tech - Support <sup>84</sup>	For businesses in Greater Manchester. Organised by GM Business Growth Hub.85

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<sup>80</sup>Department for Business and Trade (2017) CDC Enterprise Agency - Durham. Available at: https://www.gov.uk/business-finance-support/enterprise-agency-durham (Accessed: 6 August 2024).

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Туре	Specific scheme	Details
	Enterprise Steps - London <sup>86</sup>	Free guidance and support to new and established enterprises based in London. Organised by Newham College with partners London South Bank University and Enterprise for London.
	Enterprising Ashfield <sup>87</sup>	Advice and guidance for people starting or growing a business.  Organised by Nottingham Trent University is delivering support on behalf of Ashfield District Council.
	Small business grants and funding - Devon and Somerset <sup>88</sup>	Advice and support on funding for (SMEs) in Devon and Somerset. Organised by West Devon Business Information Point.
	Find It business opportunities - Worcestershire89	Support for SMEs in Worcestershire to find supply chain opportunities. Organised by Worcestershire County Council.
Advice/support – regional	Innovation Support Project - Chesterfield <sup>90</sup>	Advisory support to help businesses grow and innovate. Organised by Chesterfield Borough Council.
	Invest in - Manchester <sup>91</sup> and Nottingham <sup>92</sup>	Free support for businesses looking to expand or re-locate in Manchester/Nottingham. Organised by Invest in Manchester (MIDAS), and Nottingham City Council and Nottinghamshire County Council, through Invest In Nottingham.
	Small Business Research + Enterprise Centre - London <sup>93</sup>	Information, seminars and workshops to help start-up and growing businesses. Organised by Small Business Research + Enterprise Centre – City of London Corporation.
	Scale Up New Anglia <sup>94</sup>	A support programme for SMEs businesses in Norfolk and Suffolk Delivered through New Anglia Growth Hub, part-funded by the UK government through the UK Shared Prosperity Fund. 95
	Start up advice - Woking <sup>96</sup>	Free support and advice for new businesses in south-east England.

<sup>©</sup>Department for Business and Trade (2017) Enterprise Steps – London. Available at: <a href="https://www.gov.uk/business-finance-support/enterprise-steps-london">https://www.gov.uk/business-finance-support/enterprise-steps-london</a> (Accessed: 6 August 2024).

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Туре	Specific scheme	Details
Advice/support – regional	North East Ambition <sup>97</sup>	Free consultancy service for SMEs looking to grow their business. Organised by Education Development Trust and North East LEP, funded by European Social Fund.98
	Self-employed Support - Royal Borough of Kensington and Chelsea <sup>99</sup>	Business advice and subsidised training for businesses in Kensington and Chelsea. Organised by Portobello Business Centre.
		Grant funding for SMEs in Gateshead, South Tyneside & Sunderland, planning expansion projects with costs of at least £134,000.
Regional SME growth and enterprise funds	The Growth Fund <sup>100</sup> (now closed)	Businesses can get capital grants of between £40,000 and £200,000 to cover up to 30% of eligible expenditure. All projects must lead to additional employment in the business. Part-funded by the European Regional Development Fund (ERDF).
	Newhaven Business Grants Programme <sup>101</sup> (currently closed to new applicants)	Grant funding for SME businesses in Newhaven investing in capital items. Part of the Newhaven Town Deal and is funded by Lewes District Council and HM Government. The programme is delivered by East Sussex County Council. 102
	Rural England Prosperity Fund Buckinghamshire <sup>103</sup>	Capital grants support for rural businesses in Buckinghamshire that will create jobs and business growth.  Funded through the Rural England Prosperity Fund (REPF) by Defra. 104
	Resilience and Innovation Grant <sup>105</sup>	A grant fund supporting businesses to invest in growth and resilience. For SMEs located in South East Midlands. Launched by Growth Hub. 106
	Business Growth Grant Scheme - Mansfield <sup>107</sup>	Grants for established businesses in Mansfield that can produce a growth plan leading to job creation. Delivered by Mansfield Council.
	Business start-up grant scheme - Mansfield <sup>108</sup>	Grant to fund new businesses in the Mansfield area. Delivered by Mansfield Council.

<sup>&</sup>lt;sup>97</sup>Department for Business and Trade (2021) North East Ambition. Available at: https://www.gov.uk/business-finance-support/north-east-ambition (Accessed: 6 August 2024).
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<sup>&</sup>lt;sup>108</sup>Growth Hub. Resilience and Innovation. Available at: https://www.semlepgrowthhub.com/resilienceinnovationfund/ (Accessed: 15 August 2024).

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Туре	Specific scheme	Details
	West Midlands SME Grant Programme – Birmingham, Solihull and Shropshire Councils <sup>109</sup>	Grant support to SMEs. Funded by the UK Shared Prosperity Fund.
	Business Boost Grants - Elmbridge <sup>110</sup>	Grants specifically for projects that help the Elmbridge local economy. Organised by Elmbridge Borough Council.
	Regional Growth Loan Scheme - East of England <sup>111</sup>	Loans to finance growth for small and medium-sized enterprises (SMEs) across the east of England. Organised by the FSE Group.
Regional SME growth and	Business Growth Loans - Sussex, Kent, Surrey, Essex, Hampshire, Berkshire, Suffolk, Cambridgeshire, Hertfordshire and Norfolk <sup>112</sup>	Business loans for companies that can't get funding from banks and other mainstream providers. Organised by Let's Do Business Finance.
enterprise funds	Business Enterprise fund - North East England <sup>113</sup>	Financial support for small and medium-sized businesses (SMEs) in Yorkshire and the North East. Organised by Business and Enterprise Finance Ltd.
	BCRS Business Loans <sup>114</sup>	Loans for SMEs looking to grow in the West Midlands. Organised by BCRS Business Loans.
	ART Business Loans - West Midlands <sup>115</sup>	Loans for new and existing small businesses to create and safeguard jobs in the West Midlands. Organised by ART Business Loans.
	Business loan scheme (CWRT) - Coventry and Warwickshire <sup>116</sup>	Loans for companies in Coventry and Warwickshire that can't get finance from mainstream lenders. Organised by Coventry and Warwickshire Reinvestment Trust.
	First Enterprise - Enterprise Loans <sup>117</sup>	Government-funded loans for start-ups and businesses looking to grow across the East and South East Midlands. Organised by First Enterprise - Enterprise Loans.

<sup>&</sup>lt;sup>100</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2023) West Midlands SME Grant Programme – Birmingham, Solihull and Shropshire Councils. Available at: <a href="https://www.gov.uk/business-finance-support/west-midlands-sme-grant-programme-birmingham-solihull-and-shropshire-councils">https://www.gov.uk/business-finance-support/west-midlands-sme-grant-programme-birmingham-solihull-and-shropshire-councils</a> (Accessed: 7 August 2024).

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Туре	Specific scheme	Details
	GC Business Finance - North West England <sup>118</sup>	Start-up loans and equity investment for small and medium-sized businesses (SMEs) based in Greater Manchester and the North West.
	SWIG Finance <sup>119</sup>	Loans for new and growing SMEs in the South West of England. Organised by SWIG Finance.
	Business loans, grants and funding - Scotland <sup>120</sup>	Platform that helps businesses based in Scotland to find funding from private and public organisations.
	Thames Valley Berkshire Funding Escalator <sup>121</sup>	Funding for small and medium-sized businesses looking for equity investment in the south-east of England. Organised by FSE Group.
Regional SME growth and enterprise funds	Duplex Investment Fund <sup>122</sup>	Combined grants and loans towards capital purchases for SMEs based in Coventry who have been trading for more than 2 years. Delivered by Coventry & Warwickshire Investment Trust.
	Enterprise M3 Funding Escalator <sup>123</sup>	Growth loans and equity funding for businesses in parts of Surrey and Hampshire. Organised by FSE Group.
	Invest to Grow <sup>124</sup>	Loans and grants to support private sector businesses across the East Midlands to innovate, grow and create jobs. The programme is funded by the repayment of loans awarded to successful applicants. <sup>125</sup>
	Key Fund - Midlands and the North of England <sup>126</sup>	Grants and loans for social enterprises and businesses in the North and the Midlands. Organised by Key Fund.
	Mobile Boost Scheme <sup>127</sup>	Vouchers towards the cost of indoor mobile signal boosters in Devon and Somerset. Organised by Connecting Devon and Somerset (CDS), and Somerset County Council. Funded through the Heart of the South West Local Enterprise Partnership's (HotSWLEP) Growth Deal. 128

<sup>119</sup> Department for Business and Trade (2017) GC Business Finance - North West England. Available at: https://www.gov.uk/business-finance-support/business-finance-solutions-north-west-england. (Accessed: 6 August 2024).
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Туре	Specific scheme	Details
	Finance For Enterprise - Yorkshire, The Humber, Lincolnshire and the East Midlands <sup>129</sup>	Loans and advice for new start, early stage and established businesses across Yorkshire, The Humber, Lincolnshire and the East Midlands. Organised by Finance for Enterprise.
	Rosebud Finance - Lancashire <sup>130</sup>	Loans, support and advice for Lancashire businesses. Rosebud Finance, organised by Lancashire County Council.
	AD:VENTURE <sup>131</sup>	Series of support for 'high growth' businesses in West Yorkshire in their first 3 years of trading. Offering includes:  - 'one-to-one support  - workshops and webinars  - grant funding – Up to £10,000  - loan finance  - networking and events'
		Organised in partnership with Leeds City Council
Combination of business advice and funding – regional	Financial and Funded Support – Nottingham Trent University <sup>132</sup>	Financial and advisory support for businesses in Nottinghamshire and Derbyshire
	Business Solutions - South West England <sup>133</sup>	A range of business growth programmes to help businesses start, succeed and grow. Organised by Business West.
	Business Support Programme - Adur and Worthing <sup>134</sup>	Advisory support service for businesses in the districts of Adur and Worthing. Offering includes free events, online learning, networking and mentoring programmes. Organised by Adur and Worthing Councils. Funded with money from the UK Shared Prosperity Fund awarded by central government as well as Section 106 contributions from developers and pooled business rates as part of a national retention scheme. <sup>135</sup>
	Central Bedfordshire Council Start- up Support Programme <sup>136</sup>	A programme offering grants, free one-to-one business advice and skills training to anyone exploring starting a business in Central Bedfordshire. Delivered by Wenta on behalf of Central Bedfordshire Council.

<sup>129</sup>Department or Business and Trade (2017) Finance For Enterprise - Yorkshire, The Humber, Lincolnshire and the East Midlands. Available at: https://www.

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<sup>130</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2017) Rosebud Finance – Lancashire. Available at: <a href="https://www.gov.uk/business-finance-support/rosebud-micro-loans-lancashire">https://www.gov.uk/business-finance-support/rosebud-micro-loans-lancashire</a> (Accessed: 7 August 2024).

<sup>130</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2017) AD:VENTURE. Available at: <a href="https://www.gov.uk/business-finance-support/accessed: 5 August 2024">https://www.gov.uk/business-finance-support/accessed: 5 August 2024</a>).

<sup>130</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2023) Financial and Funded Support – Nottingham Trent University, Available at: <a href="https://www.gov.uk/business-finance-support/financial-and-funded-support-nottingham-trent-university">https://www.gov.uk/business-finance-support/financial-and-funded-support-nottingham-trent-university</a> (Accessed: 6 August 2024). 133Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2017) Business Solutions - South West England. Available at: https://www.gov.uk/business-finance-support/business-solutions-south-west-england (Accessed: 6 August 2024).

<sup>1</sup>st Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2017) Business Support Programme - Adur and Worthing.

Available at: https://www.gov.uk/business-finance-support/business-support-programme-adur-and-worthing (Accessed: 6 August 2024).

1st Adur and Worthing Councils. Business Support Programme (2024/25). Available at: https://www.adur-worthing.gov.uk/businesses/support-and-funding/

business-support-programme/ (Accessed: 15 August 2024).

136Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2023) Central Bedfordshire Council Start-up Support Programme. Available at: https://www.gov.uk/business-finance-support/central-bedfordshire-council-start-up-support-programme (Accessed: 6 August 2024).

Туре	Specific scheme	Details
Combination of business advice and funding – regional	PNE Enterprise - business support service - North East England <sup>137</sup>	Mentoring, start-up business courses and support schemes for businesses based in the North East of England. Organised by PNE Enterprise.
	Northern Ireland Business Support Finder <sup>138</sup>	A searchable database for SME business leaders looking to locate publicly-funded sources of business assistance. On NIBusinessInfo. co.uk
	DRIVEN - ESF High Level Skills programme <sup>139</sup>	Grants and support to help SMEs across Derbyshire and Nottinghamshire to recruit and retain students and graduates. Organised by University of Derby.
	Enterprise Answers business loans <sup>140</sup>	Business finance, advice and support for businesses of all stages. For businesses in North West/Yorkshire. Organised by Enterprise Answers.

<sup>137</sup>Department for Business and Trade (2017) PNE Enterprise - business support service - North East England. Available at: <a href="https://www.gov.uk/business-finance-support/business-support-service-north-east-england">https://www.gov.uk/business-support-service-north-east-england</a> (Accessed: 6 August 2024).
138Department for Business and Trade (2017) Northern Ireland Business Support Finder. Available at: <a href="https://www.gov.uk/business-finance-support/northern-ireland-business-support-inder">https://www.gov.uk/business-finance-support/northern-ireland-business-support-locker-inder-lock

Available at: https://www.gov.uk/business-finance-support/enterprise-answers-business-loans-north-of-england (Accessed: 6 August 2024).

# 8. ENERGY EFFICIENCY

Туре	Specific scheme	Details
	Industrial Energy Transformation Fund (IETF) <sup>141</sup>	The Industrial Energy Transformation Fund (IETF) is designed to help businesses with high energy use to cut their energy bills and carbon emissions through investing in energy efficiency and low carbon technologies.  The IETF launched in 2020, and is being rolled out in 3 phases with £500 million of funding available up until 2028.
	Net Zero Grant Programme (NZGP) <sup>142</sup>	Grant programme open to (SMEs) from all sectors which are based in, or relocating into the Birmingham City Council (BCC) or Solihull Metropolitan Borough Council (SMBC) local authority areas. Funded by UK Government and Business Growth West Midlands.
Net Zero transition schemes	Wenta Action Zero Gold Membership <sup>143</sup>	Fully-funded specialist Net Zero support for businesses looking to reach Net Zero. Offers free one-to-one advice, skills and support. Programmes for businesses in Hertsmere, Stevenage, Watford, Welwyn Hatfield, and Bedfordshire, Buckinghamshire and Hertfordshire. 144
	South West Manufacturing Advisory Service (SWMAS) <sup>145</sup>	Advisory support for SME manufacturers across the South West of England. The Make it Net Zero initiative offers a support programme helping business reach net zero, including by developing a personalised action plan to identify and implement achievable improvements.
	Net Zero Bucks <sup>146</sup>	The Net Zero Bucks programme offers support for businesses in Buckinghamshire looking to reach net zero. Support includes: Calculating the carbon footprint of the business and providing a net zero report to help businesses plan for reaching net zero. Offering Net Zero workshops and events for collaborating with other businesses.
		Offering one-to-one support from a team of experts to help business in reaching net zero.
		Through Buckinghamshire Business First, funded by UK Government through the Shared Prosperity Fund which is managed by Buckinghamshire Council. 147

<sup>141</sup> Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy (2019) Industrial Energy Transformation Fund. Available at: https://www.gov.uk/government/collections/industrial-energy-transformation-fund (Accessed: 8 August 2024).

142 Birmingham City Council. About the Net Zero Grant Programme. Available at: https://www.birmingham.gov.uk/info/50294/net zero grant programme/2690/about the net zero grant programme (Accessed: 5 August 2024).

143 Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2024) Wenta Action Zero Gold Membership – Hertsmere. Available at: https://www.gov.uk/

business-finance-support/wenta-action-zero-gold-membership-hertsmere (Accessed: 6 August 2024).

144UK Government. Finance and support for your business. Available at: https://www.gov.uk/business-finance-support?business\_sizes%5B%5D=under-10&industries%5B%5D=manufacturi

ng&page=2&types of support%58%5D=expertise-and-advice (Accessed: 7 August 2024).

145CBN. SWMAS. Available at: https://www.cbn.expert/swmas-ltd/#:~:text=The%20South%20West%20Manufacturing%20Advisory.and%20stimulate%20their%20growth%20aspirations.

<sup>\*\*\*</sup>CBN: SWMAS: Available at: <a href="https://www.con.experi/swmas-ito/#i~:text=1ne%20soutn%20west%20manulacturing%20advisory.and%20stimulate%20stimulate%20soutn%20west%20manulacturing%20advisory.and%20stimulate%20stimulat

Туре	Specific scheme	Details
Cost of energy support	Energy Bills Discount Scheme <sup>148</sup>	Withdrawn April 2024.
Other Government	Energy Entrepreneurs Fund (EEF) <sup>149</sup>	The Energy Entrepreneurs Fund is a competitive funding scheme which supports the development and demonstration of state of the art technologies, products and processes in the areas of energy efficiency, power generation and heat and electricity storage.  There have been 9 phases of the Energy Entrepreneurs Fund since 2012. Over that time we have invested around £120 million of grant money in over 250 companies. Those companies have leveraged over £100 million in private funding and are still attracting further investment.
energy funding (national)	Industrial Heat Recovery Support (IHRS) <sup>150</sup>	Scheme closed in March 2022.
	Climate Change Agreements (CCAs) <sup>151</sup>	Climate change agreements are voluntary agreements made between UK industry and the Environment Agency to reduce energy use and carbon dioxide (CO2) emissions. In return, operators receive a discount on the Climate Change Levy (CCL), a tax added to electricity and fuel bills. The Environment Agency administers the CCA scheme on behalf of the whole of the UK.
Other government funding (regional)	Green LEAP Small Business Grant Scheme - Horsham District <sup>152</sup> (currently closed for new applicants; reopening 2 September 2024)	An SME grant specifically for 'climate-friendly' projects. Organised by Horsham District Council and funded by UK Government.
	Heavy Duty Vehicle Fund <sup>153</sup>	Funding of up to £200,000 on investing in greener vehicles for West Midlands based SMEs conducting commercial operations in Birmingham. Organised by Birmingham City Council
	Low Carbon Dorset <sup>154</sup>	Free support to help SMEs and in the Dorset Council area reduce their carbon emissions, improve energy efficiency and install renewable energy measures. Part-funded by the UK Shared Prosperity Fund (UKSPF). <sup>155</sup>

<sup>148</sup> Department for Energy Security and Net Zero, HM Treasury and Department for Business, Energy & Industrial Strategy (2023) Energy Bills Discount Scheme. Available at: https://www.gov.uk/guidance/energy-bills-discount-scheme (Accessed: 8 August 2024).
149 Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy (2014) Energy Entrepreneurs Fund. Available at: https://www.gov.uk/government/collections/energy-entrepeneurs-fund (Accessed: 8 August 2024).
150 Department for Energy Security and Net Zero and Department for Business, Energy & Industrial Strategy (2018) Industrial Heat Recovery Support programme (closed): successful projects and case studies. Available at: https://www.gov.uk/guidance/industrial-heat-recovery-support-programme-how-to-apply (Accessed: 8 August 2024).
150 Department for Business and Trade and Department for Business-grant-scheme-horsham-district (Accessed: 6 August 2024).
151 Department for Business and Trade (2020) Heavy Dutty Vehicle Fund, Available at: https://www.gov.uk/business-finance-support/heavy-duty-vehicle-fund (Accessed: 7 August 2024).
152 Department for Business and Trade (2020) Heavy Dutty Vehicle Fund, Available at: https://www.gov.uk/business-finance-support/heavy-duty-vehicle-fund (Accessed: 7 August 2024).

<sup>153</sup>Department for Business and Trade (2020) Heavy Duty Vehicle Fund. Available at: https://www.gov.uk/business-finance-support/heavy-duty-vehicle-fund (Accessed: 7 August 2024).
154Department for Business and Trade (2021) Low Carbon Dorset. Available at: https://www.gov.uk/business-finance-support/low-carbon-dorset (Accessed: 5 August 2024).

<sup>155</sup>Low Carbon Dorset. Available at: https://www.lowcarbondorset.org.uk/ (Accessed: 16 August 2024).

Туре	Specific scheme	Details
European Regional Development Fund partial funding	SME Energy Efficiency Scheme (SMEES) <sup>156</sup>	Offers fully-funded energy efficiency audits and advice on saving energy for businesses located in Tees Valley, as well as online resources and workshops.  Also offers capital grants as a contribution towards works undertaken to reduce greenhouse gas emissions and to lower energy consumption. These cover up to 45% of upfront capital project costs, between £10,000 and £100,000.  Part funded by the European Regional Development Fund (ERDF) as part of the European Structural and Investment Funds Growth Programme 2014-2020. <sup>157</sup>
	Low Carbon Innovation Fund 2 - East of England <sup>158</sup>	<ul> <li>Investment for small to medium enterprises (SMEs) in the east of England to help lower their carbon output. Funding between £25,000 and £1m. Offering includes:         <ul> <li>Helping SMEs develop innovative products or services in a low carbon, environmentally sensitive way through either an equity or convertible loan basis</li> <li>Funding must be matched by private sources of funding, support is available for this.</li> </ul> </li> <li>Funded by European Regional Development Fund, with the UK Ministry of Housing, Communities and Local Government as the Managing Authority. 159</li> </ul>
	EnTRESS 2 – Environmental Technologies & Resource Efficiency Support Service <sup>160</sup>	For SMEs in eligible locations, the scheme offers two days of free sustainability advisory support to businesses. Typical support includes, but is not limited to:  Research and development analysis  Efficiency audits to reduce, reuse and recover resources  Identification of new market engagement and funding opportunities  Attendance at themed events, for example plastics, circular economy, BIM, waste management and renewable energy  Shared space at exhibitions and networking events  Organised by the University of Wolverhampton. Part-funded by the European Regional Development Fund to promote sustainable economic growth. 161

(Accessed: 16 August 2024).

See Department for Business and Trade (2017) Low Carbon Innovation Fund 2 - East of England. Available at: https://www.gov.uk/business-finance-support/low-carbon-innovation-fundeast-of-england (Accessed: 6 August 2024).

159Turquoise. Low Carbon Innovation Fund 2 makes follow-on investment in breakthrough pH sensor company ANB Sensors. Available at: https://turquoise.eu/llow-carbon-innovation-

<sup>158</sup>Department for Business and Trade (2022) SME Energy Efficiency Scheme (SMEES). Available at: https://www.gov.uk/business-finance-support/sme-energy-efficiency-scheme-

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<sup>&</sup>lt;sup>160</sup>Department for Business and Trade (2021) EnTRESS 2 – Environmental Technologies & Resource Efficiency Support Service. Available at: <a href="https://www.gov.uk/business-finance-support/entress-2-environmental-technologies-and-resource-efficiency-support-service">https://www.gov.uk/business-finance-support/entress-2-environmental-technologies-and-resource-efficiency-support-service</a> (Accessed: 5 August 2024).

<sup>161</sup>University of Wolverhampton. EnTRESS. Available at: <a href="https://www.wlv.ac.uk/business-services/funding-and-support/entress/">https://www.wlv.ac.uk/business-services/funding-and-support/entress/</a> (Accessed: 16 August 2024).

Туре	Specific scheme	Details
Advice	WRAP environmental business advice - UK <sup>162</sup>	'Confidential advice and support on environmental issues for all UK businesses'. Organised by WRAP.
	Manufacturing Energy Toolkit <sup>163</sup>	Provides manufacturers with easy access to experts and equipment to help reduce energy usage. Organised by High-Value Manufacturing Catapult, on Warwick University website.
	UK Business Climate Hub <sup>164</sup>	Business website offers new help for Britain's 5.5 million SMEs to save on their energy bills while reducing their emissions.  The hub provides a source of advice for small businesses on a range of issues, including: paying less for EVs, getting a low-carbon heat pump, to generating green energy and selling it back to the grid to make money.

<sup>162</sup>Department for Business and Trade (2017) WRAP environmental business advice − UK. Available at: https://www.gov.uk/business-finance-support/wrap-environmental-business-advice-uk (Accessed: 6 August 2024).

163Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2023) Manufacturing Energy Toolkit.

Available at: https://www.gov.uk/business-finance-support/business-energy-aid-toolkit (Accessed: 5 August 2024).

164Department for Energy Security and Net Zero and Stuart, G. (2023) One-stop-shop to help businesses save money and go green.

Available at: https://www.gov.uk/government/news/one-stop-shop-to-help-businesses-save-money-and-go-green (Accessed: 5 August 2024).

# 9. SUPPLY CHAIN

Туре	Specific scheme	Details
Government funding	Supply Chain Transition Programme <sup>165</sup>	Provides support to SMEs in the West Midlands (WM) in diversifying their customer base. This is done through a combination of workshops, intensive one-to-one coaching, peer-to-peer support and events that host buyers from organisations seeking to diversify their supplier base in the West Midlands. Funded via the Commonwealth Games Legacy Fund.
	Supply Chain Sunderland <sup>166</sup>	Looking to strengthen Sunderland's local entrepreneurial ecosystem by improving business resilience and growth, boosting survival rates, driving innovation, and enhancing market readiness for new supply chain opportunities.  Provides assistance to SMEs in Sunderland in the manufacturing and service sectors to:  Assess core capabilities and strengths.  Identify areas for productivity enhancement, resilience building, and innovation.  Access opportunities to grow market share and diversify income.  Funded through the North East Growth Hub, a project of North East Combined Authority.
Programme	WMG, University of Warwick's Net Zero Innovation Network Cohort Programme <sup>167</sup>	Looking to increase sustainability in the UK's manufacturing supply chain through its Net Zero Innovation Network (NZIN) which now has over 40 members.  Delivers a range of support programmes to SME manufacturers. The WMG Net Zero Innovation Network (NZIN) brings together five-to-eight SME manufacturers to form a cohort with a larger 'customer' manufacturing organisation and a member of WMG's SME group to work together on net zero challenges.

<sup>165</sup> Business Growth West Midlands. Supply Chain Transition. Available at: https://www.businessgrowthwestmidlands.org.uk/business-support/supply-chain-transition/

<sup>\*\*</sup>Business Growth West Midlands. Supply Chain Transition. Available at: <a href="https://www.businessgrowthwestmidlands.org.uk/business-support/supply-chain-transition/">https://www.businessgrowthwestmidlands.org.uk/business-support/supply-chain-transition/</a> (Accessed: 9 August 2024).

\*\*\*North East Growth Hub. Supply Chain Sunderland. Available at: <a href="https://growthhub.northeast-ca.gov.uk/resource/supply-chain-sunderland">https://growthhub.northeast-ca.gov.uk/resource/supply-chain-sunderland</a> (Accessed: 9 August 2024).

\*\*The Manufacturer (2024) SMEs come together to solve sustainability challenges. Available at: <a href="https://www.themanufacturer.com/articles/smes-come-together-to-solve-sustainability-challenges/">https://www.themanufacturer.com/articles/smes-come-together-to-solve-sustainability-challenges/</a> (Accessed: 5 August 2024).

# 10. ADOPTION OF TECHNOLOGY

Туре	Specific scheme	Details
Government support	Made Smarter Adoption <sup>168</sup>	A government-backed initiative. Supports manufacturers with the adoption of Industrial Digital Technologies such as:  Additive Manufacturing  Data And Systems Integration  Robotics And Process Control Automation  The Industrial Internet Of Things (Sensors)  Artificial Intelligence And Cognitive Learning, Virtual  Augmented And Mixed Realities  Industrial Cybersecurity  Mobile Devices And Wearable Tech.  Each region in England has its own Made Smarter Adoption, as follows:  Made Smarter East Midlands is delivered by the Lincolnshire County Council on behalf of the East Midlands Cluster.  North East is delivered by the North East Local Enterprise Partnership (North East LEP) and Tees Valley Combined Authority.  North West is delivered by The Growth Company in conjunction with Boost, the Business Growth Hub, Cumbria LEP and — Cheshire and Warrington Growth Hub and the Growth Platform.  West Midlands is delivered by the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) Growth Hub, in-conjunction with the Growth Hubs in Greater Birmingham and Solihull, the Black Country, Worcestershire Business Central, The Marches, Stoke-on-Trent and Staffordshire.  West of England is delivered by The West of England Combined Authority in conjunction with The West of England Growth Hub, The University of the West of England and The National Composites Centre.  Yorkshire and the Humber is delivered by South Yorkshire Mayoral Combined Authority, York and North Yorkshire Growth Hub, Hull and East Yorkshire LEP.
	Help to Grow: Digital (closed to new applicants 2 February 2023) <sup>169</sup>	Help to Grow: Digital is a UK-wide scheme to help small and medium size businesses (SMEs) adopt digital technologies that are proven to increase their productivity.  The scheme offers SMEs free and impartial advice on how technology can help their business. An online platform helps them to:  Identify their digital technology needs  Assess technology purchasing options  Implement new technologies in their operations  The scheme also offers grants of up to £5,000 to eligible SMEs. These cover up to half of the costs of pre-approved, digital technology solutions.  The Help to Grow: Digital scheme launched in January 2022 and will run for 3 years, taking a phased approach over a number of waves. Each wave will provide the opportunity to roll out new technologies and functionalities for SMEs and vendors.

<sup>168</sup>Made Smarter. Adoption support. Available at: https://www.madesmarter.uk/adoption-support/#:~:text=Made%20Smarter%20is%20Supporting%20manufacturers.Robotics%20And%20 Process%20Control%20Automation (Accessed: 5 August 2024).
169Department for Business, Energy & Industrial Strategy (2022) Help to Grow: Digital – advice pilot (closed). Available at: https://www.gov.uk/guidance/help-to-grow-digital-apply-to-take-part-in-the-one-to-one-advice-pilot#:~:text=Help%20to%20Grow%3A%20Digital%20is.technology%20can%20help%20their%20business. (Accessed: 8 August 2024).

Туре	Specific scheme	Details
Toolkit resource	University of Leeds toolkit <sup>170</sup>	A toolkit created by researchers from Leeds University Business School designed to simplify the process of decision-making regarding the adoption of digital technology by addressing the challenges and opportunities associated with the integration of industrial digital technologies into manufacturing.
European Regional Development Fund support	AMRC North West <sup>171</sup>	Helps the North West region's manufacturing community access advanced technologies in order to will drive improvements in productivity, performance and quality.  Built using a £20m grant from the Lancashire Enterprise Partnership (LEP) Growth Deal, on the Samlesbury Aerospace Enterprise Zone. Operated through University of Sheffield, and Advanced Manufacturing Research Centre. Supported by the European Regional Development Fund.

<sup>&</sup>lt;sup>170</sup>Dealer Support (2023) New toolkit created to help SME manufacturers with digital technology adoption. Available at: <a href="https://dealersupport.co.uk/new-toolkit-created-to-help-sme-manufacturers-with-digital-technology-adoption/">https://dealersupport.co.uk/new-toolkit-created-to-help-sme-manufacturers-with-digital-technology-adoption/</a> (Accessed: 5 August 2024).

<sup>171</sup>University of Sheffield, AMRC. AMRC North West. Available at: <a href="https://www.amrc.co.uk/pages/amrc-north-west">https://www.amrc.co.uk/pages/amrc-north-west</a> (Accessed: 9 August 2024).

# 11. HORIZON EUROPE

Туре	Specific scheme	Details
European Commission funding	Horizon Europe funding <sup>172</sup>	Funding for research or innovation. In particular, focussed on improving research standards, addressing climate change and food security and creating growth in sectors like advanced manufacturing. UK organisations can participate in Horizon Europe calls for proposals on the same terms as institutions from other Associated Countries, including leading consortia and receiving EU funding, from the 2024 Work Programme and onwards. <sup>173</sup>

<sup>&</sup>lt;sup>172</sup>Department for Business and Trade and Department for Business, Energy & Industrial Strategy (2021) *Horizon Europe funding*. Available at: <a href="https://www.gov.uk/business-finance-support/horizon-europe-funding">https://www.gov.uk/business-finance-support/horizon-europe-funding</a> (Accessed: 5 August 2024).

<sup>173</sup>UKRO. *EU-UK Relationship*. Available at: <a href="https://www.ukro.ac.uk/resources/eu-uk-relationship/#:~:text=UK%20organisations%20">https://www.ukro.ac.uk/resources/eu-uk-relationship/#:~:text=UK%20organisations%20</a> can%20participate%20in.that%20opened%2Fclosed%20last%20year. (Accessed: 15 August 2024).

# **The Growth Mission:** A Blueprint for Scaling up SME Manufacturers



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The ERA Foundation is a non-profit organisation. We focus on helping the high-tech manufacturing sector in the UK by supporting engineering, innovation and industrial development programmes. The ERA Foundation has been supporting UK engineering and industry development in high-tech manufacturing since 1920. Our aim is to ensure the important role that the high-tech manufacturing sector plays in the UK economy is recognised; to support the next generation of UK engineers, to help our high-tech manufacturing companies prosper, and to encourage entrepreneurship, innovation and technical excellence in individuals and organisations.

We work with organisations which share our principles. Our work involves generating new policy ideas; developing, funding or delivering industry development programmes; supporting industrial engagement activity; supporting the development of new technologies and skills; or coordinating the sharing of skills and knowledge between partners.

Partnerships are at the heart of the Foundation works to achieve its' aims. Our partners range from prestigious national institutions, industry support organisations and others that can help our high-tech manufacturing sector prosper. We also work with government departments, policy think-tanks, and the financial sector. The relationships we have built with our partners have allowed us to develop a wide range of successful initiatives achieving a much greater impact than working alone.







