



RABDF webinar:  
Grants and funding sources –  
essential help available now

Simon Haley 21.5.20



<https://www.linkedin.com/in/simonhaley/>



Simon Haley is 35 years old and a graduate of Harper Adams University.

He has been running his own rural business advisory firm for 8 years, working mainly across the North West region of England, specialising in rural grant applications, farm business appraisals and development, agricultural policy matters, and strategic advice.

He is a fellow of the Central Association of Agricultural Valuers and a member of the Institute of Agricultural Management.

He is also a partner in 3 other companies operating across the rural industry, focused on areas of social media training, digital media publishing, and conference and event management, as well as being a Visiting Lecturer at the Royal Agricultural University.

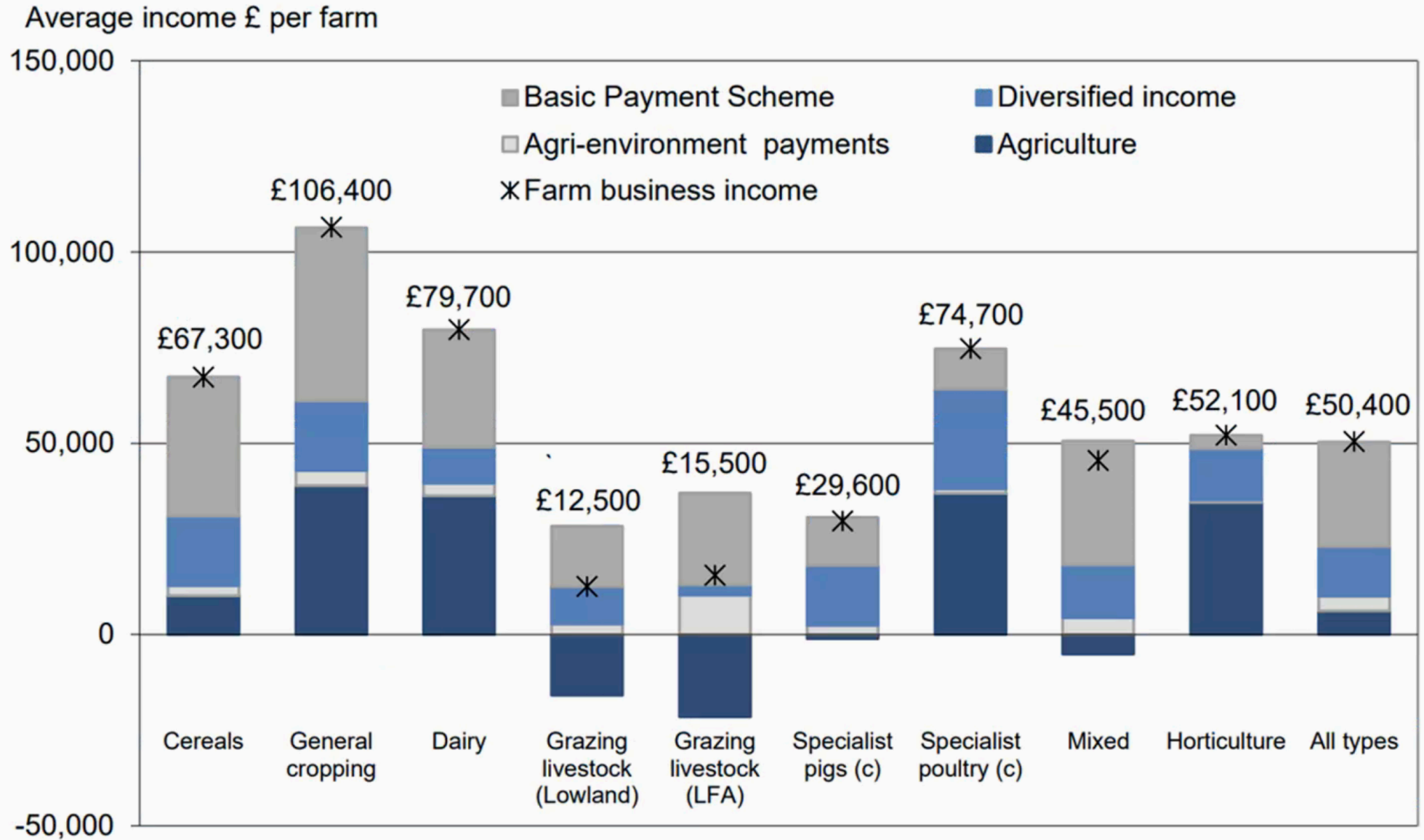
# Webinar running order

- 11am to 11.30am - presentation
- 11.30am to 11.45am - Q&A

## CONTENT

1. Find out about the range of grants and funding sources available to apply for
2. Think 'outside the box' in accessing financial assistance
3. Make your business more sustainable by addressing key factors of risk, resilience, and revenue
4. Discover savvy ways to tap into funds

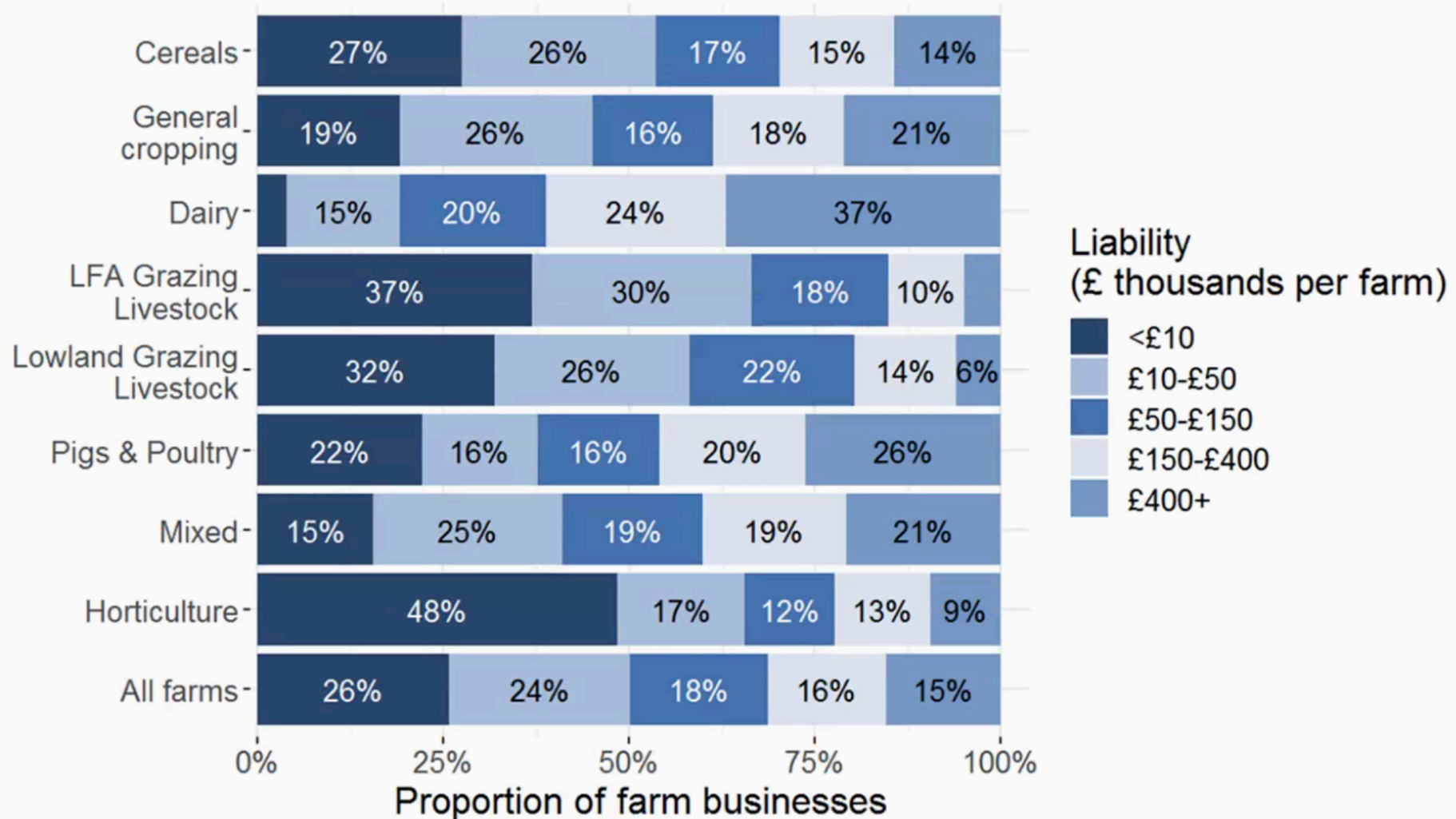
# Profitability by Income Base & Sector





# Liabilities by Farm Type

Figure 1.5 Distribution of liabilities (per farm) by farm type.



Proportions below 5% have been hidden.

Source: Defra Farm Business Survey 2019/2020

# Focus on profitability

Top 25% all-year-round calving herds made 12 .6ppl more margin than the bottom 25 per cent and costs were 10.5 ppl lower\*



Think margin  
not yields

A good yield doesn't  
always equal margin



What is the cost of  
production



Contract  
Location  
Succession  
Management

Source:

Lower costs drive profits on the top dairy farms, AHDB, April 2019

<https://ahdb.org.uk/news/lower-costs-drive-profits-on-the-top-dairy-farms>

# Available grants

- COVID-19 Dairy Fund

<https://www.gov.uk/environment/farming-food-grants-payments>

- Countryside Stewardship Scheme

<https://www.gov.uk/government/collections/countryside-stewardship-get-paid-for-environmental-land-management>

- Countryside Productivity Scheme – Small Grants Round 2 and Round 3

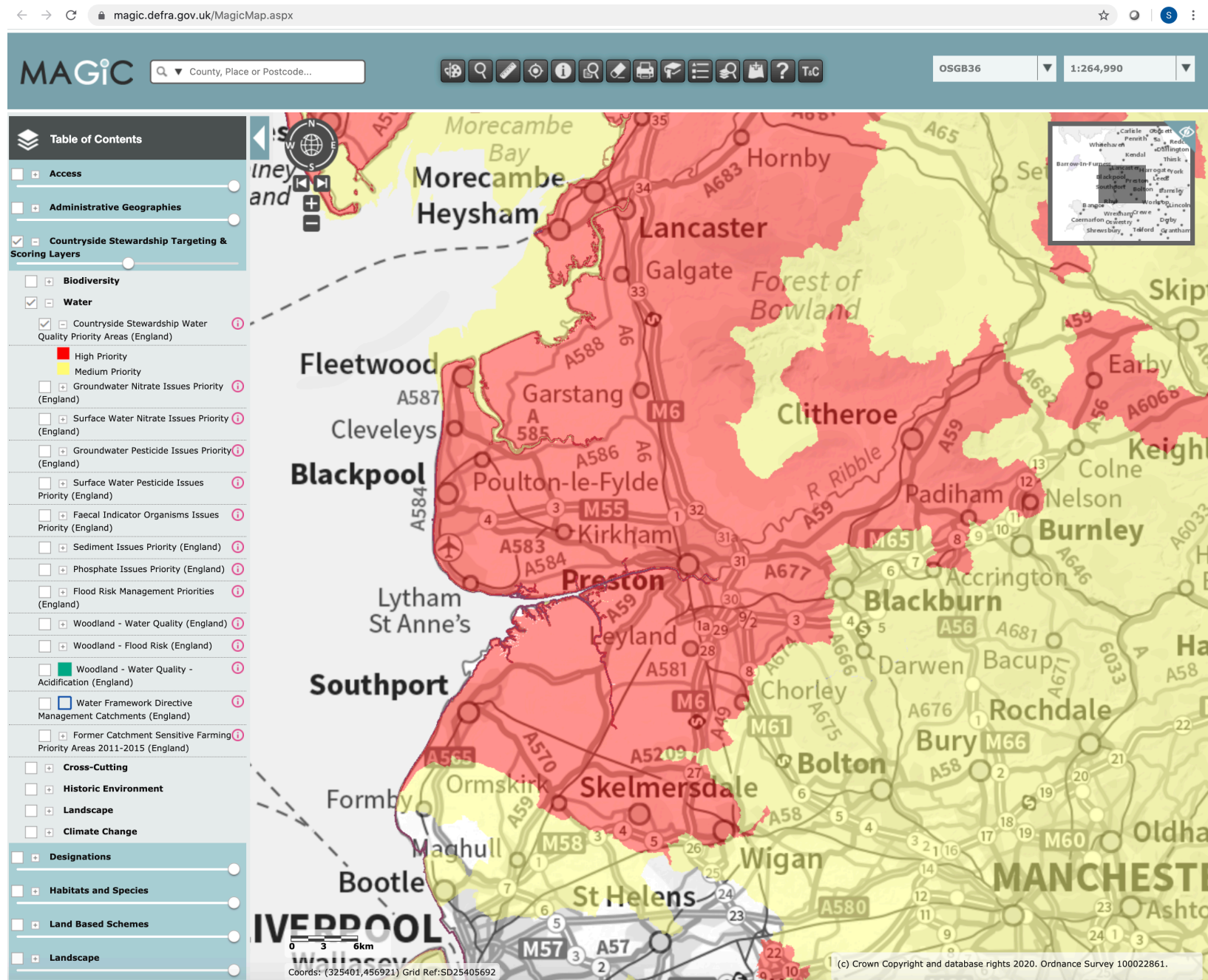
<https://www.gov.uk/guidance/countryside-productivity-scheme>

- Scottish Farm Advisory Service

<https://www.fas.scot/advice-grants/>

<https://magic.defra.gov.uk/>

Example of high priority water quality area = red colour



<https://www.gov.uk/government/publications/catchment-sensitive-farming-officer-contacts>

<https://www.gov.uk/government/collections/countryside-stewardship-get-paid-for-environmental-land-management>

# Available opportunities

- Farming Ambition Programme

<https://www.thefarmernetwork.co.uk/projects/farming-ambition-programme/>

- Prince's Farm Resilience Programme

<https://www.princescountrysidefund.org.uk/how-we-help-the-princes-farm-resilience-programme/the-princes-farm-resilience-programme>

- Henry Plumb Foundation

<http://www.thehenryplumbfoundation.org.uk/want-some-help>

- Made Smarter

<https://www.madesmarter.uk/>

# Available opportunities

- Nuffield Farming Scholarships Trust

<http://www.nuffieldscholar.org/applying-for-a-scholarship/apply-now/>

- Worshipful Company of Farmers – x2 leadership courses

<https://farmerslivery.org.uk/our-courses>

- Institute of Agricultural Management – leadership course

<https://www.iagrm.org.uk/events/leadership-course/>

- Institute of Agricultural Management – farm management skills programme

<https://www.iagrm.org.uk/events/farm-management-skills-programme/>



# Lending Basics

**C** haracter

**A** bility

**M** anagement

**P** urpose

**A** mount

**R** epayment

**I** nsurance



# Bounce Back Loan Scheme

## **How long is the scheme open?**

The Scheme is intended to be a temporary response to the unprecedented challenges to businesses as a result of coronavirus (COVID-19). The Scheme will initially open until 4 November 2020, with the government retaining the right to extend this.

## **How much can I apply for?**

Businesses can apply for between £2,000 up to 25% of their turnover. The maximum loan available under the Scheme is £50,000. The government will cover the interest repayments for the first 12 months.

The government-backed guarantee on the loan is a guarantee to lenders. Businesses remain 100% liable to repay the full loan amount, as well as interest, after the first year.

It is a courtesy to make your existing bank relationship manager aware if you are going to apply



## What is the difference between CBILS and the Bounce Back Loan Scheme?

	CBILS	Bounce Back Loan Scheme
Guarantee	Provides the lender with a government-backed, partial guarantee (80%) against the outstanding guarantee facility balance (only principal). The portfolio cap has now been removed.	Provides the lender with a government-backed, full guarantee (100%) against the outstanding guarantee facility balance (both principal and interest), with no portfolio cap.
Guarantee fee for businesses	No fee.	No fee.
Fee charged to lenders for each facility	A fee is charged to lenders for each facility which makes use of the Scheme.	No fee to lenders.
Types of facility	Facilities available include term loans, overdrafts, invoice finance and asset finance facilities.	Term loan only.
Maximum and minimum value of facility	<p>Following the launch of the Bounce Back Loan Scheme the minimum for term loans and overdrafts will be £50,001. Lenders delivering asset or invoice finance facilities only will still be able to provide finance at less than £50,001.</p> <p>The maximum value of a facility provided under the Scheme is £5m.</p>	The minimum value of a facility provided under the Scheme is £2,000; the maximum is 25% of turnover up to a cap of £50,000.
Interest rate and fees set by lender	Interest and fees are set by accredited lenders and will vary by lender.	The interest is set by government at 2.5% per annum. No lender-levied fees.
Repayment terms	<p>Repayment terms limited to a maximum of six years for term loan and asset finance facilities up to £5m. For overdrafts and invoice finance facilities, terms will be up to three years.</p> <p>The government will make a Business Interruption Payment to the lender to cover first 12 months of interest and fees payable.</p> <p>Principal repayment holidays are at the discretion of the lender.</p>	<p>Repayment terms are six years, but there are no additional fees for early repayment charges.</p> <p>The government will make a Business Interruption Payment to the lender to cover first 12 months of interest payable.</p> <p>The borrower has a 12-month principal repayment holiday.</p>
Refinancing	Re-financing limited to a maximum of 20% of a lenders' total CBILS lending.	There is no restriction on the total amount of the facility that may consist of refinancing.

## What is the difference between CBILS and the Bounce Back Loan Scheme?

	CBILS	Bounce Back Loan Scheme
Assessment of affordability and viability	<p>Businesses must:</p> <ul style="list-style-type: none"> <li>• Have a borrowing proposal which the lender would consider viable, were it not for the current pandemic</li> <li>• Self-certify that it has been adversely impacted by the coronavirus (COVID-19)</li> <li>• Not have been classed as a “business in difficulty” on 31 December 2019, if applying to borrow £30,000 or more.</li> </ul> <p>All lending decisions remain fully delegated to lenders.</p>	<p>The borrower is required to self-declare they meet the eligibility criteria for the scheme.</p> <p>Lenders do not have to assess a business’ affordability or viability. Lenders are not responsible for the borrower’s decision to borrow.</p>
Borrower’s protection	All existing statutory rights (for example, Consumer Credit Act and FCA protections) apply.	Not subject to the many of the usual consumer protections that apply to business lending under £25,000. Borrowers do not have the benefit of protection and remedies that would otherwise be available under the Consumer Credit Act 1974.
Businesses eligible	<p>Available to UK-based businesses with annual turnover of up to £45m per year.</p> <p>Smaller businesses from all sectors can apply for the full amount of the facility. However, fishery, aquaculture and agriculture businesses may not qualify for the full interest and fee payment.</p>	<p>Available to most UK-based businesses, regardless of turnover.</p> <p>If the business is a “business in difficulty” as of December 31 2019 then businesses in agriculture, aquaculture or fisheries may not qualify for the full amount; and the loan cannot be used for export-related activities.</p>
Personal guarantees	<p>No personal guarantees for any facilities below £250,000. Other forms of security may still be required by the lender.</p> <p>Security, including personal guarantees may still be required for facilities above £250,000 but they exclude a borrower’s main home; and recoveries are capped at a maximum of 20% of outstanding balance.</p>	<p>No personal guarantees.</p> <p>No recovery action can be taken over a borrower’s main home or primary personal vehicle.</p> <p>For sole traders or partnerships, who do not have the benefit of limited liability, other personal assets may be at risk of recovery action.</p>

# COVID-19 and other funding sources

- Bounce Back Loan

<https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

- Coronavirus Business Interruption Loan Scheme (CBILS)

<https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme>

- Deferral of VAT payments

<https://www.gov.uk/guidance/deferral-of-vat-payments-due-to-coronavirus-covid-19>

- Enterprise Answers

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

# COVID-19 and other funding sources

- Business Rates Relief

<https://www.gov.uk/guidance/check-if-your-retail-hospitality-or-leisure-business-is-eligible-for-business-rates-relief-due-to-coronavirus-covid-19>

- Small Business Grant Fund

<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-small-business-grant-fund>

- Retail, Hospitality and Leisure Grant Fund

<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-retail-hospitality-and-leisure-grant-fund>

- HMRC Time to Pay arrangement

<https://www.gov.uk/difficulties-paying-hmrc>

# Self-Employment Income Support Scheme

The scheme will allow you to claim a taxable grant of 80% of your average monthly trading profits, paid out in a single instalment covering 3 months, and capped at £7,500 altogether. This is a temporary scheme, but it may be extended.

If you receive the grant you can continue to work, start a new trade or take on other employment including voluntary work, or duties as an armed forces reservist.

You can claim if you're a self-employed individual or a member of a partnership and all of the following apply:

- you traded in the tax year 2018 to 2019 and submitted your Self Assessment tax return on or before 23 April 2020 for that year
- you traded in the tax year 2019 to 2020
- you intend to continue to trade in the tax year 2020 to 2021
- you carry on a trade which has been adversely affected by coronavirus

# COVID-19 and other funding sources

- Job Retention Scheme

<https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

- Limited company directors and employees

- Claim back Statutory Sick Pay

<https://www.gov.uk/guidance/claim-back-statutory-sick-pay-paid-to-employees-due-to-coronavirus-covid-19>

- Self-Employment Income Support Scheme (SEISS)

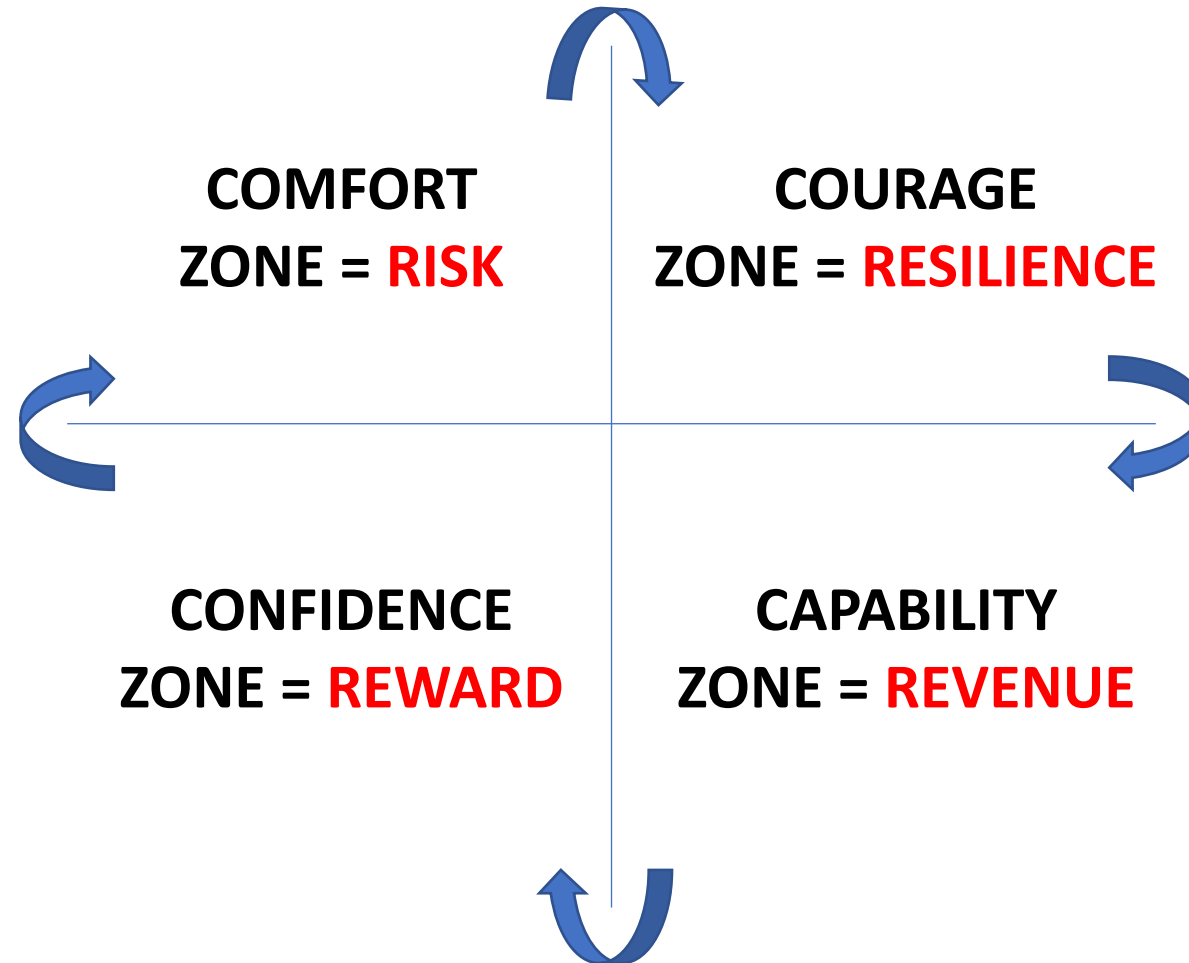
<https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>

- Sole traders and members of a partnership

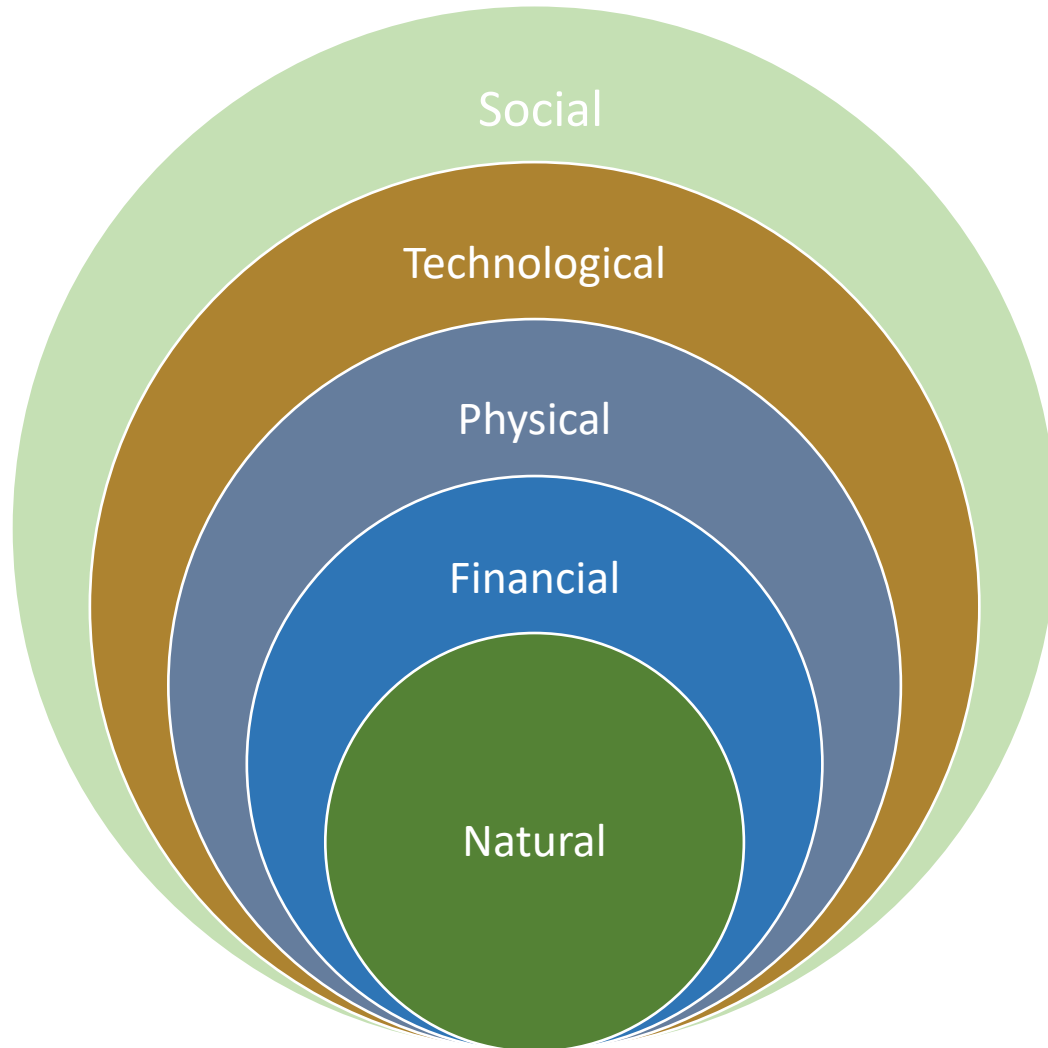
- Deferral of Self-Assessment payments

<https://www.gov.uk/pay-self-assessment-tax-bill>

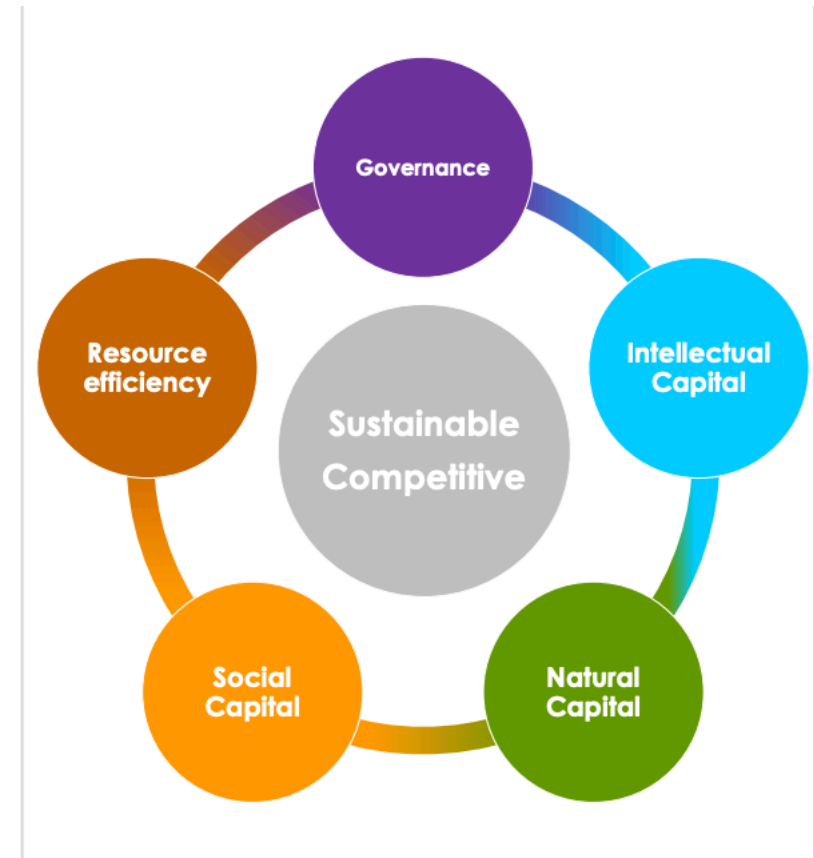
# 4 stages of development and growth



# Types of Assets



**MANAGE CHANGE OR  
BE MANAGED BY CHANGE**





# NELMS – “public money for public goods”



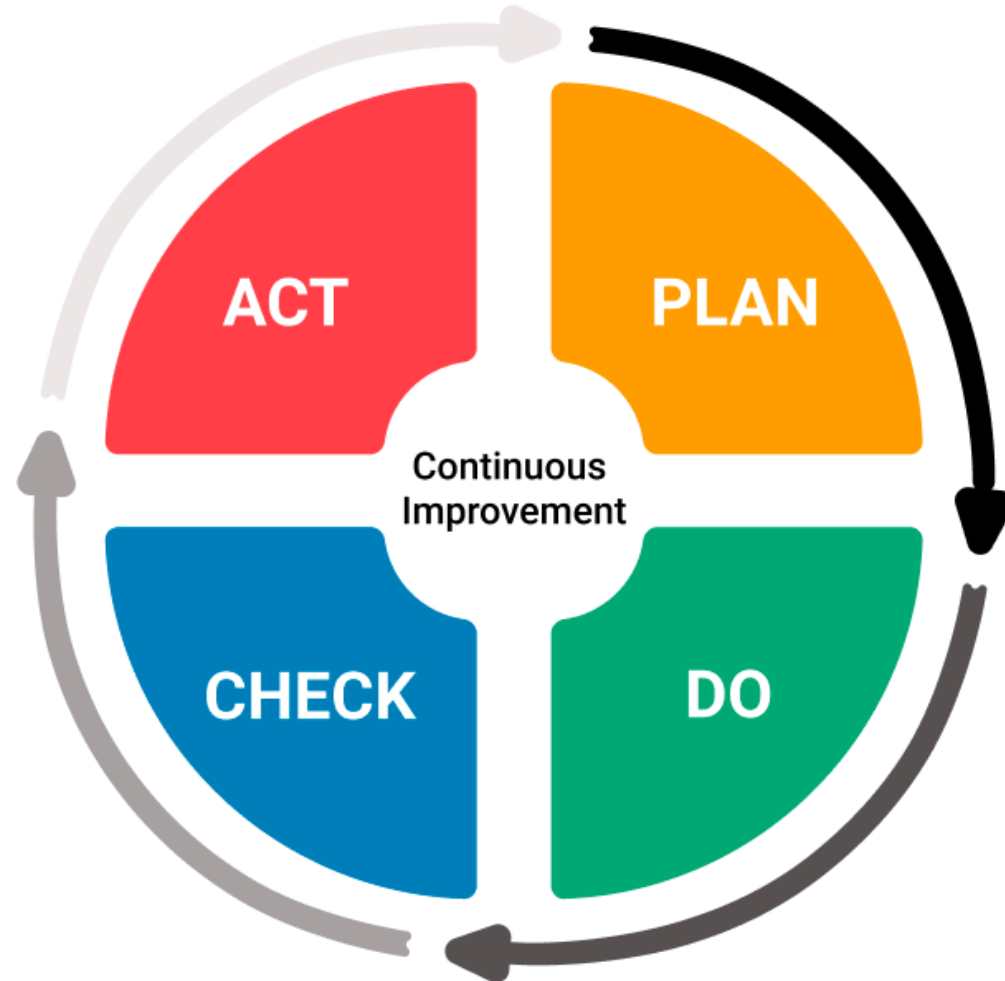
# Business management factors

- Ask your bank for a capital and/or interest repayment holiday
- Ask your bank for a temporary Overdraft increase
- Review and restructure existing debt if possible
  - There has never been a cheaper time to fix and borrow money
- Ask for a repayment holiday on your Hire Purchase finance agreement
- Prepare cashflows and budgets to support justification for the above points and to stress-test for future scenarios
  - Serviceability, sensitivity, sensibility – 3 key factors used to appraise a business and its enterprises
- Benchmark regularly against other similar enterprises

# Business management factors

- Review costs of all suppliers and be ruthless in seeking efficiencies
- Contact suppliers to ask for revised payment terms or staggered payments
- Buy in bulk or in larger volumes, then stretch payments out
- Look at undertaking a carbon audit to add value in receiving any premiums or to comply with contract terms
- Machinery sharing, inputs purchasing, and enhanced collaboration with neighbours or family members
- Use of a third party individual to challenge and monitor

# Continuous improvement loop



# Webinar key points

- ✓ There are a wide range of grants and funding sources available
- ✓ Assess viability and need before deciding to access financial assistance
- ✓ A “loan” is not a “grant”
- ✓ Talk to your bank relationship manager, accountant or consultant in the first instance
- ✓ Think beyond 2020 – how can your business become more sustainable in its outlook? What opportunities might the Agriculture Bill and NELMS bring?
- ✓ Put yourself forward for personal development courses
- ✓ Make a plan, there is no better time to start than now
- ✓ Be more “savvy” about tapping into available funds – think about outcomes not always outputs



# Any Questions?

Mobile 07783103951

Email [simon@srhagribusiness.co.uk](mailto:simon@srhagribusiness.co.uk)

LinkedIn <https://www.linkedin.com/in/simonhaley/>

Website <http://www.srhagribusiness.co.uk/>