



**NORTH  
OF TYNE**  
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**COMBINED  
AUTHORITY**



**North of Tyne  
Culture & Creative  
Investment Programme**

# **Creative Boost**

## **£25K loans for creative SMEs**



**Creative UK has a  
new investment offer  
for businesses and  
freelancers working  
in the culture and  
creative industries  
in the North of Tyne  
Combined Authority  
Area.**



Through the **North of Tyne Culture and Creative Investment Programme**, we are investing over £2 million through loan and equity investments, on behalf of the North of Tyne Combined Authority.

This document relates to the **North of Tyne Creative Boost** offer within our investment programme – which provides business loans of £25k for creative SMEs.

Applications are encouraged from growth-minded businesses that are innovative, operate in the creative and cultural sector, are looking to build a commercially sustainable business.

**Our offer for loan finance:**

- Loans of £25k
- 6% interest rate
- Unsecured - no debenture, no personal guarantee
- No management fees
- No early repayment charges
- Repayment term of up to 3 years
- Investment decision within 10 working days of completed application
- Access to wrap-around business support
- Obligation to hire 1 new employee on a full-time or part-time basis

**Who can apply? What are the eligibility criteria?**

To be eligible to apply, businesses must:

- be based in the North of Tyne (Newcastle, North Tyneside, or Northumberland)
- operate within the cultural or creative industries
- trading for less than 5 years
- most recent annual revenue of less than £500,000 a year
- be seeking investment towards activity that meets the aims of the programme
- be able to provide the financial information requested as per the templates provided in the application



### **Can businesses outside the North of Tyne area apply?**

We are primarily looking to invest in businesses that are registered and trading in the North of Tyne region and contributing to the local creative and cultural economy.

However, we will also consider investment into businesses:

- that are looking to relocate to the region and can demonstrate a committed timeframe to do so, and a strong case for economic, creative, and cultural impact
- who are registered outside the region, but their main business/trading activity takes place in the North of Tyne area and can demonstrate that the investment will drive significant economic, creative and cultural benefit to the region.

### **What do we mean by the ‘Cultural and Creative Industries?’**

We mean businesses working in the Visuals arts, Performing arts, Music, Film, TV, Media, Immersive and Video Games, Advertising & Marketing, Digital & Creative Tech, Creative Software Solutions, Fashion, Architecture, Heritage, Publishing, Museums, Libraries and Galleries.

### **Can freelancers apply?**

Freelancers who are set up as a limited company can apply for these loans, however it is not possible to make loan investments to a sole trader. Individuals can access the business support element of the programme.

### **How much investment is available?**

Through the **Creative Boost** loans offer of North of Tyne Culture and Creative Investment Programme, we will provide loans £25k each to up to 10 creative SMEs in the North of Tyne. The total amount of investment through **Creative Boost** will therefore be £250k. Applications for the Creative Boost loans will be open from 1st April to 31st May 2022 and will be assessed on a rolling basis. We encourage businesses to apply as soon as possible to increase chances of success.

### **What can the investment be used towards?**

We are interested in growth-minded businesses that are innovative, operate in the creative and cultural sector, and able to deliver meaningful impact in the region.

In line with this, permitted use of funds are:

- Developing revenue-generating products and services
- Developing or diversifying into new business models
- Diversifying forms of cultural and creative practice
- Other general expenditures that enable business growth such as recruitment, marketing and equipment costs etc.

*Please note that the North of Tyne Creative Boost loan may not be used for refinancing existing loan facilities.*

**What are the rates of interest?**

Fixed interest rate of 6%

**What are the repayment terms?**

Repayment terms can be up to a maximum of 3 years, with monthly repayments.

**What are the fees?**

No management fees or early repayment charges.

Please note that the 0% management fees and any favourable difference in interest payments compared to the open market would count towards government subsidy control limits. It would be a successful loan recipient's responsibility to declare and adhere to these limits. Please see government guidance for information on these limits.

**Guidance on the UK's international subsidy control commitments - GOV.UK ([www.gov.uk](http://www.gov.uk))**

**Are the loans secured through Personal Guarantee?**

The **Creative boost** loans are unsecured. We do not ask for a personal guarantee or a debenture on the assets of business.

**How do I apply?**

**North of Tyne Creative Boost** will be launched on Friday 1st April 2022.

The applications will be open for 8 weeks / 2 months – till 31st May, or until fully subscribed, whichever is sooner. Loans of £25k each will be offered to 10 SMEs by or at the end of the application window. As the assessments will be on a rolling-basis we encourage businesses to apply as soon as possible to increase chances of a successful application.

To be considered, SMEs would need to submit a full application through our online portal. The application form will have the following sections:

- Company and contact details
- Company financial information
- Business plans and commercial strategy
- Alignment with wider programme goals

**Applicants will need to tell us:**

- what it is your company does and how it makes money
- about your company's output within the creative and / or cultural industries
- why you need funding and what it is you need the additional capital for?
- about your board make-up and outline key staff, their responsibilities and experience.
- to summarise any risks and mitigations
- how your business has been affected by Covid 19 pandemic
- how the proposed activity meets the wider aims of Culture and Creative Investment Programme.

**Applicants will need to provide:**

- Your sales pipeline
- Historical financial position and a financial forecast for next 12-month period as per the format in the financial templates provided
- A company bank statement from previous month
- Annual company accounts filed at Companies House from previous year
- Latest management accounts (produced in the last 2 months)

**What is the decision process?**

We will conduct a due diligence of the business and assessment of the application. All final investment decisions are made by an independent internal investment panel at Creative UK who will consider the proposal/organisation in terms of financial viability and investment potential.

**How long does the process take?**

Once we receive your full application, we might contact you with queries and may request additional information. Once we have the required information, we will aim to give you a decision in within 10 working days. Contracts will be provided to approved business with a 10-working day window to sign. Loans will expected be drawn down within 4 weeks of signing of contracts.

