



£1 million Fund Open For Creative Industries

Businesses working within the West Midlands' creative sector have been given a major boost today with up to £1 million being made available to give small and medium sized enterprises the chance to gain up to £150,000 in equity investment.

Backed by Birmingham City Council, in partnership with Advantage West Midlands and the Arts Council England, the Creative Advantage Fund will invest between £75,000 and £150,000 in local businesses in exchange for an equity share in the companies themselves.

The fund will buy shares in investee companies with a view to growth over a 3 to 5 year term. Proceeds of successful investment will be ploughed back into further investment. The Fund will also seek to work with local partners such as Aston Reinvestment Trust to support entrepreneurs to make best use of the investment.

Thomas Dillon, Chairman of the Creative Advantage Fund, said: "We are starting a new programme of investment in creative industry SMEs. We are looking forward to working with creative entrepreneurs in the region to help them grow their businesses."

Councillor Neville Summerfield, Cabinet Member for Regeneration, Birmingham City Council, said: "The fund is at the forefront of our £17 million package of measures, funded through the Working Neighbourhood Fund (WNF), to provide direct support and assistance to local businesses during and beyond the recession.

"The key factor with an investment of this type is that those providing the money also retain a vested interest in supporting those they assist - in order to both see a return on their investment and also ensure the benefits of it spread throughout the economy."

Patrick Palmer, Head of Access to Finance, Advantage West Midlands, said: "AWM was pleased to support CAF in 2000 when it was intended

that CAF would operate as an evergreen fund. The realisation of investments made in the Fund's early years has now generated sufficient resources for new investments to resume and we welcome this source of additional finance for the City's creative small and medium sized enterprises".

The Creative Advantage Fund was first established in 2000 by Birmingham City Council and West Midlands Arts (now part of the Arts Council), with support from Advantage West Midlands, the European Regional Development Fund and the private sector to bridge the "equity gap" and address market failure in the provision of risk capital to SMEs in the creative sector.

Previous investments have included a number of now film, television, theatre, toy design, software and jewellery businesses.

Sally Luton, Chief Executive, Arts Council England, West Midlands, said: "The fund has worked successfully in helping creative businesses for several years and I welcome this new phase of activity, which will dovetail with our Digital Content Development Programme in support of new strategies for digital distribution."

The Digital Content Development (DCD) Programme is a three year Arts Council England, West Midlands programme to encourage the region's arts organisations to develop imaginative, bold and ground-breaking approaches to the digitisation of the creative content they generate and the distribution of that content to existing and, particularly, new audiences.

Companies interested in seeking investment from CAF should contact enquiries@creativeadvantagefund.co.uk or visit its web site.

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For more information please contact Simon Houlty on 0121 303 3503