

HM Treasury's £1bn Business Finance Partnership - An Opportunity for Managers?

Key Points

- HM Treasury is looking to invest £1bn into funds that will lend to businesses with a turnover below £500m:
 - investing between £25m and £250m into any one fund
 - investing the first tranche of this amount into one or more funds in summer 2012 (with further tranches at later dates)
 - available to new or existing funds.
- Each manager will have to secure 50% of commitments from other sources by the closing date.
- To pitch for the first tranche you will need to respond by 20 February 2012!



What You Will Need to Do

- Respond as set out in the Request for Proposal: www.hm-treasury.gov.uk/d/fin_bfp_request_proposals.pdf
- Response to HM Treasury to include details of:
 - fund structure, marketing channels and tax analysis
 - investment strategy, guidelines and restrictions
 - fund processes, sources of origination and conflict policies
 - management team and remuneration
 - track record
 - key terms and evidence of current fund raising activities
 - proposed fee structure.

HOW WE CAN ASSIST

1. With extensive experience structuring and closing mezzanine and debt funds, we can help you with:
 - structuring the fund
 - the tax analysis
 - the key terms.
2. With our firm's strong public sector reputation advising public bodies such as the European Investment Bank, local authorities and the Government and from our experience with similar procurement processes, we can suggest ways you can stand out from the crowd including:
 - proposing fund terms likely to address HM Treasury's concerns, such as time-based minimum capital deployment levels, corporate governance (involving independent individuals), management time commitments
 - innovative fee arrangements which have in the past helped to secure mandates - based on socio-economic output targets such as creation of full-time employment
 - detailing the increased level of reporting that the Government will typically require
 - providing detailed examples of proposed investments were the fund to close.
3. We understand the processes of central government procurement and the key policy drivers likely to impact their decision, from our public sector expertise and our many secondments with central government.
4. With our understanding of fund documents, we can review whether the proposal is feasible from the perspective of your existing funds.

For further information, please contact:

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