

Investing in foundation industries: help to back innovators

News story

Investors can join a programme to support businesses carrying out innovative projects that aim to reduce resources and energy use in key industries.



Foundation industries, such as the cement, glass, ceramics, paper, metals, and bulk chemical sectors, are vital for UK manufacturing. They are worth £52 billion to the economy.

However, they are responsible for 10% of UK CO₂ emissions and consume lots of raw materials and energy. Manufacturing equipment has a long life, and it is difficult to introduce efficiencies that improve resource use and maintain competitiveness on the global stage.

The government's Industrial Strategy Challenge Fund Transforming Foundation Industries Challenge is supporting innovative business projects looking at ways of reducing energy and resource use.

Innovate UK, part of UK Research and Innovation, is seeking partner investors willing to invest in businesses that carry out projects with support from the fund.

Innovate UK has up to £7 million to invest in small and medium sized enterprises in the foundation industries carrying out projects to reduce energy and resource use.

Investor partners will be expected to identify potential businesses. They could be:

- new investments for the organisation
- opportunities currently under consideration
- SMEs already in a portfolio who are looking for further investment and grant funding for a specific project element

The businesses will be asked to submit funding applications for projects that

meet the objectives of the challenge:

- reducing energy costs and optimisation such as heat or energy recovery and reuse
- process measurement, optimisation and digitisation, such as sensor technology or digital tools
- waste recycling, utilisation and symbiosis, such as reuse of waste or industrial symbiosis
- new product and service development, such as new materials, new materials-based products and services, or new business models

Investors could include venture capital, angel networks, or corporate venture investors. They will be asked to make an investment that equals or exceeds the value of the Innovate UK grant.

- the competition to find investor partners is open, and the deadline for applications is at 11am on 9 December 2020
- investors must be an equity provider with the potential to act as lead investor in investments from £50,000 to £2 million
- the competition for invited business projects will open in spring 2021
- business projects could range in size between £50,000 and £2million and last up to 2 years
- a [briefing event](#) takes place on 4 November 2020

[Find out more about this competition and about applying to become an investor partner.](#)

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