

NORTH LANARKSHIRE COUNCIL

REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: BOOST FOR BUSINESS GROWTH
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 17 April 1996	Ref: CMcA/JG/REPORTS.014	

Introduction

Boost for Business Growth provides a range of assistance to local businesses. The programme can provide grants of up to £1000 in exceptional circumstances and loans of up to £5,000. A maximum award of £5,000 is allowable to each company.

History

The programme began in April 1991 and has assisted 57 companies of which 45 are still trading. In total £260,500 has been awarded since the programme began. The project has also received ERDF assistance in the past of £47,000.

Companies

Companies assisted financially are usually those which have a trading record although some start-ups can be assisted. They must employ less than 200 employees and the project should have a job creating or safeguarding element. Companies assisted are normally in the manufacturing or service to business sector. The award is normally made to companies who have a specific project proposal which will improve the companies performance. Such proposals normally include product development, market development and exporting and the introduction of new systems and procedures which will lead to improved competitiveness.

Operational Procedures

1. Potential applicants are visited by Business Advisors from the local Enterprise Development Company who assess the suitability of the applicant and the project proposal before encouraging the company to complete an application.
2. As most of the applications which are considered for Boost for Business Growth are for the funding of a planned expansion, the company will normally be required to produce a business plan. This is produced in conjunction with the local company and their business advisors who may be an accountant, management consultant or a business advisor from the local Enterprise Development Company. The business plan will outline the total funding requirements for the project. This can involve a package of assistance from different sources including British Steel Industry, British Coal, Scottish Office, banks, personal funding and the local Authority.
3. Upon receipt of the application and the necessary financial information, a visit is made to the company by a Business Development Officer to assess the project in a face-to-face interview.
4. Following this the applications are then considered at a meeting of a panel which includes Business Development Officers from the Council as well as representatives from the local Enterprise Development Company.

5. Consideration is given to the viability of the project proposal, the commitment of the management team and the potential job creation of the project and the business. Consideration is also given to the likelihood of the other sources of funding being awarded.
6. The panel approves or rejects applications or makes a conditional award which ensures that certain criteria are met before an award is made. Following this credit checks and all other necessary information is obtained.
7. The offer of the award is made to the company.
8. Repayments to the loan are made by standing order and monthly checks are made on these repayments.
9. The companies are regularly visited by Business Advisors from Motherwell Enterprise Development Company and an evaluation of the programme is carried out every 12 to 18 months.

NLC Funding

A budget of £80,000 has been allocated for this programme in the 1996/97 financial year. This will allow a minimum of 16 companies to receive a maximum of £5,000 loan funding.

Recommendation

That the Committee notes the contents of the report and agrees the operational procedures outlined above.



 S. Cook
Director of Planning and Development

For further information contact G Smith, Head of Business Development and Property.