

NORTH LANARKSHIRE COUNCIL

REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: BUSINESS LOANS FUNDS  APPROVALS UNDER DELEGATED AUTHORITY - QUARTERLY REPORT 1 JANUARY - 31 MARCH 2000
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 8 June 2000	Ref: EB/REP684	

**1 Purpose of Report**

1.1 The purpose of this report is to inform Committee of the loans approved under delegated authority during the period from 1 January to 31 March 2000.

**2 Sustainability**

2.1 This programme meets the sustainable development policy adopted by the Council through Local Agenda 21 by addressing elements of Section 3 "Economy and Work". In particular the scheme addresses the following areas:

- increasing employment opportunities for local people
- helping local and community businesses to set up and grow

**3 Background**

3.1 The principal activity of the Loans Fund is to provide loan finance of up to £30,000 to small, medium sized enterprises, either start-up or existing, who have good commercial proposals but who have difficulty raising finance from conventional private sector sources.

3.2 The loans are offered through two programmes: the Business Loans Scheme in conjunction with the West of Scotland Loans Fund which receives support from the European Regional Development Fund through the Strathclyde European partnership. In addition, the Small Business Support Scheme provides financial assistance of up to £5,000 to companies who would not normally qualify for assistance under the West of Scotland Loans Fund.

**4 Approvals**

Company Type	Amount £	Jobs		Leverage £	Area
		Created	Safeguarded		
Welding	5,000	3	0	15,000	Central
Logistics	1,750	1	3	3,000	Southern
Logistics	5,000	4	0	28,000	Central
Telecom Repairs	15,000	11	6	30,000	Central
IT Solutions	5,000	2	0	15,000	Central
Reedmaker	5,000	8	0	11,820	Northern
Mechanical Engineering	30,000	32	0	770,000	Northern
IT for Disabled	11,000	4	0	34,000	Central
Environmental Products	15,000	7	4	35,000	Northern
<b>Totals</b>	<b>£92,750</b>	<b>72</b>	<b>13</b>	<b>£941,820</b>	

- 4.2 Analysis of the above figures indicates that the allocation of loan funding of £92,750 levered an additional £941,820 from other sources including banks and other financial institutions, giving a ratio of over 10 to 1. The total approved in this financial year amounts to £370,250. The total jobs created or safeguarded during this quarter amounted to 85 giving an average cost per job of £1,091. Cheques released to companies approved for funding and meeting the various conditions set by Economic Development Unit and Legal Services amounted to £66,000 during this period.
- 4.3 Of the loans approved during this period, six assisted with start up finance and 3 were for existing businesses to assist in expansion projects. The loans were used to purchase capital equipment and for working capital requirements.

## 5 Recommendation

Committee is asked to note the contents of this report.



**David M Porch**  
**Director of Planning and Environment**

Date of Report: 18 April 2000

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