

NORTH LANARKSHIRE COUNCIL

AGENDA ITEM NO. 206

REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: BOOST FOR BUSINESS START-UP- QUARTERLY REPORT 1 April 2000 – 30 June 2000
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 24 August 2000	Ref: YW/REP.711	

1 Purpose

- 1.1 The purpose of this report is to inform committee of the progress of the BOOST for Business Start Up programme during the period 1 April 2000 – 30 June 2000.

2 Sustainability

- 2.1 The BOOST programme meets the sustainable development policy adopted by the Council through Local Agenda 21 by addressing elements of Section 3 "Economy and Work", Section 8 "Social Needs" and Section 11 "Partnership and Funding". In particular, the scheme addresses the following areas:

- Reducing poverty and low pay
- Providing training and personal development opportunities for local people
- Increasing employment opportunities for local people
- Linking local production with local consumption
- Helping local and community based businesses set up and grow
- Improving access to employment opportunities
- Working in partnership with other departments and agencies

3 Introduction

- 3.1 Boost for Business Start Up provides a grant for unemployed people assisting them to become self-employed.
- 3.2 Applicants for BOOST must undergo business counselling and training provided by the local Enterprise Development Company as a condition of receiving the grant.
- 3.3 A grant of £500 is awarded to each applicant who must be unemployed for a period exceeding 4 weeks to be eligible for the award. An additional £300 is available to meet child-care costs of those successful applicants residing in Regeneration areas.

4 Awards

4.1 Total Figures:

Applications Received – 1 April 2000 to 30 June 2000	43
Applications Approved during period	39
Applications Rejected/Withdrawn during period	4

4.2 This is broken down between the areas as follows:

	Northern Area	<i>Northern Area</i>	Central Area	<i>Central Area</i>	Southern Area	<i>Southern Area</i>
	Quarter to 30/6/00	<i>Quarter to 30/6/99</i>	Quarter to 30/6/00	<i>Quarter to 30/6/99</i>	Quarter to 30/6/00	<i>Quarter to 30/6/99</i>
Applications Received	11	17	16	5	16	41
Applications Approved	11	15	13	33	15	5
Applications Rejected or Withdrawn	0	2	3	8	1	0

As can be seen there has been a good increase in the number of applications received from the Central area. There has been a slight decrease in the number of applications received from the Northern area but a significant decrease in the number of applications received from the Southern Area. Small Business Gateway Motherwell who are responsible for Southern Area applications have advised that the quarter to 30 June 1999 was unseasonably high and there has only been a small decline in the number of anticipated applications during this quarter. Section 5 of this report provides further discussion on the reduction in business start-ups within Lanarkshire

4.3 The total grant paid out between 1 April 2000 to 30 June 2000 amounts to £15,000.

4.4 From 1 April 2000 to 30 June 2000 a total of £10,500 has been spent from the 2000/2001 annual budget of £50,000. Therefore, 21% of the budget was spent by 30 June 2000.

4.5 A further £4,500 was spent during the quarter from 1999/2000 accruals for grants which had been approved in the 1999/2000 budget year but conditions had still to be met by the applicants.

5. Lanarkshire Business Start-up Trends

5.1 Figures compiled by Scottish Enterprise and the country's four clearing banks have shown that the number of new business start-ups has fallen in Lanarkshire over the last three years:

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
1997	442	460	434	428	1,764
1998	440	407	420	365	1,632
1999	407	382	337	279	1,405

Source: <http://www.newbusiness.org.uk/newbusiness/current/regional.html>

5.2 As can be seen from the figures, the final quarter in 1999 represented the lowest number of business starts in Lanarkshire over the previous 3 years. Compared to 1998, Lanarkshire had 13.9% fewer business starts in 1999. It should be noted that the published figures may be slightly distorted as they

are based on the number of new business bank accounts opened by the four main Scottish Clearing Banks: Bank of Scotland, The Royal Bank of Scotland, Clydesdale Bank and Lloyds TSB Scotland. The figures do not take account of new businesses who hold their bank accounts at other banks or building societies or indeed do not open a bank account.

- 5.3 In terms of BOOST for Business Start-up there has also been a decline in the number of applications received this quarter compared to the same previous quarter in the previous year:

	1 April to 30 June 1999	1 April to 30 June 2000
Applications Received	63	43
Applications Approved	53	39
Applications Rejected/Withdrawn	10	4

Further investigation is currently being under-taken into the reasons for the decline in BOOST for Business Start-up applications and the decline in the number of start-ups in general. The reasons for the decline accompanied by possible solutions shall be reported to Committee.

- 5.4 Despite the tail off in start-ups, the indications are that the numbers are now starting to pick up again. There is currently a lot of start-up activity with Scottish Enterprise Lanarkshire reporting a high number of enquiries from individuals wishing to set-up in business. Furthermore, the number of business start-ups which have come through the three local enterprise trusts has increased year on year with 1999/2000 representing the highest number of start-ups within the local enterprise trust network. It should also be noted that there are a relatively high number of technology businesses setting up in Lanarkshire compared to other areas of Scotland.
- 5.5 The Business Start-up in the SIP and Regeneration Area project is aiming to address the low number of business start-ups within the priority areas. The Committee approved the project at its meeting on 27 January 2000. The Coatbridge South pilot for this project is currently under review. This project should have a positive impact on the number of BOOST applications received from these areas over the coming year.

6. Recommendation

- 6.1 Committee is asked to note the contents of this report.



David M Porch
Director of Planning and Environment

Date of Report: 11 July 2000

For further information please contact Yvonne Weir, Economic Development Officer.

Telephone: 01236 616268