

NORTH LANARKSHIRE COUNCIL

REPORT

AGENDA ITEM NO. 15c

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: BUSINESS LOANS FUNDS APPROVALS UNDER DELEGATED AUTHORITY - QUARTERLY REPORT 1 July – 30 September 2000
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 23 November 2000	Ref: EB/REP740	

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 July to 30 September 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.

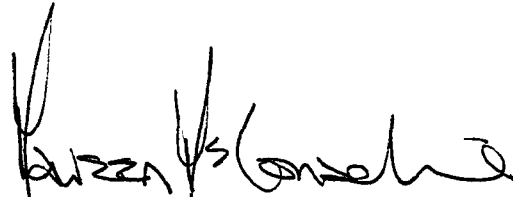
4 Approvals

4.1 Company Type	Amount £	Jobs Created	Safeguarded	Leverage £	Area
Specialised Recruitment	5,000	3	0	25,325	Central
Engineering	15,000	7	20	161,000	Southern
Stair Manufacturers	30,000	2	9	205,000	Central
Window Manf (transport)	10,000	4	36	400,000	Central
Car accessory distribution	5,000	2	1	25,000	Southern
Day nursery	5,000	0	12	27,000	Southern
Drilling	20,000	6	2	51,900	Southern

- 4.2 Analysis of the above figures indicates that the allocation of loan funding of £90,000 levered an additional £895,225 from other sources including banks and other financial institutions, giving a ratio of over 9 to 1. The total jobs created or safeguarded during this quarter amounted to 104 giving an average cost per job of £865. Cheques released to companies approved for funding and meeting the various conditions set by Economic Development Unit and Legal Services amounted to £70,000 during this period.
- 4.3 Of the loans approved during this period, two assisted with start up finance and five were to existing businesses to assist expansion. 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.



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

Date of Report: 9 October 2000

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