

TELFORD & WREKIN COUNCIL

CO-OPERATIVE & COMMUNITIES SCRUTINY COMMITTEE– 12.09.11

PROPOSED MODEL FOR THE SMALL BUSINESS LOANS FUND

REPORT FOR INFORMATION

Proposed Model for the Small Business Loans Fund

- The fund will be for companies that have got good ideas but have been turned down for funding by the banks.
- The Telford Business Partnership, of which the Enterprise and Employment Manager is a member, will lead on the project.
- There is an official launch for the Telford Business Partnership on Thursday, 8th September. 10 – 15 members will be required to invest up to £25,000 each to get the fund started, and the Council will contribute £25,000 to this as well.
- The current proposal means that businesses can either apply for a loan or request to be mentored by other successful businesses.
- It has been agreed that the Black Country Reinvestment Society will be the model for assessing loan applications. They are a co-operative (not for profit) organisation and members consists of ex bankers etc. who are very experienced in these kinds of things. They have agreed to work with us to assess the loan applications so that the process is fair.
- Competitive rates of interest will be charged on loans and this money will be reinvested to keep the fund going.
- Following the launch, partners will be given a month to provide expressions of interest. Providing there is enough interest, work will then progress on implementing a project plan and it is expected that the fund will go live by no later than April next year.
- The proposed model may change following the launch of the Telford Business Partnership and the feedback received from businesses.
- It is expected that this will be a business-led project.

Report of Corin Crane, Enterprise and Employment Manager, 01952 567569