

Business Loans Scotland



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Fife Council is a member of Business Loans Scotland, a consortium of Scotland's 32 local authorities, which aims to address the "access to finance" barrier that exists for so many businesses in starting up, expanding and maintaining sustainability.

Business Loans Scotland aims to improve the supply of loan finance to new and growing, small and medium sized enterprises (SMEs) which have good commercial proposals but have difficulty raising finance through the normal commercial sources. Additionally, the fund aims to encourage and support the creation and development of SMEs in Scotland allowing them to contribute to the local economy in terms of jobs, growth and wealth. Business Loans Scotland also aims to support SMEs to grow in regional, national and international markets, and to engage in innovation to improve competitiveness.

With loans available from £25,000 up to £100,000 with a fixed interest rate of just 6%, is it time you invested in your business?

Applications must be lodged by Autumn 2018.

Loan Terms

Business Loans Scotland is a public-private partnership fund that offers gap funding to SMEs from £25,000 up to £100,000. The fund operates in conjunction with other commercial lending agencies and loan applications are considered on the basis that 50% of the total funding package required will be matched by private finance.

Loan applicants must demonstrate a funding gap at the time of the application and must show that they have explored all options including personal funds, bank funding and the potential for equity from venture capitalists before submitting an application.

The interest rate is fixed for the term of the loan and is currently set at 6%. A higher interest rate may be required for new start businesses with little or no security. This rate will be determined by the appraisal of the application.

The loan conditions are standard for all businesses. The maximum repayment period is 5 years, although 'capital holidays' of up to 3 months may be considered.

Security will be taken where appropriate for loans. This can be via a bond and floating charge and/or a standard security where business land and/or property is involved. Personal guarantees may also be taken where there is a lack of security or the risk is higher.

To warrant support, businesses must demonstrate that their business plans are viable, robust and sustainable.

Who can apply?

Our primary focus is on businesses engaged in the Business to Business (B2B) and Business to Consumer (B2C) categories.

We can support the following types of legally formed and trading business:

- Limited Companies
- Partnerships including Limited Liability Partnerships (LLP's) with 4 or more partners
- Partnerships including Limited Liability Partnerships (LLP's) with 3 or fewer partners (loans over £25,000 only)
- Sole Traders (loans over £25,000 only)
- Businesses may operate as a Social Enterprise or Co-operative

As a guideline the following sectors are likely to be eligible for support.

- Manufacturing
- Service to Manufacturing
- Construction
- Wholesale
- Transport and Distribution
- Software
- Agriculture linked to farm diversification
- Tourism & tourism infrastructure
- Service based (providing they are not one of the ineligible sectors)

The following sectors may not be eligible for support, however every attempt will be made to accommodate priorities at a local level and we would welcome enquiries.

- Sale of Motor Vehicles
- Real Estate / Speculative Property Development
- Professional Services
- Social and Personal Services
- Local Services

Any business approaching the Fund will receive support and advice from Business Gateway and local authority economic business support teams. As well as our loans, we want businesses to benefit from all the expertise, advice, training and support that we can offer through our local business advice provision. The Business Adviser allocated when you submit an enquiry will discuss your requirements and offer support and assistance where relevant. This support is available throughout the period of the loan and can continue beyond this time where it is deemed beneficial to your business.

Please note however that the Fund is unlikely to support a business where such support may cause local displacement.

How can the funds be used?

Loans may be used for

- working capital
- purchase of plant and equipment
- purchase of, improvement or expansion of business property

Making an Application

1. Register online at www.bls.scot using the 'Apply Now' form.
2. Once eligibility is confirmed you can apply using the Online Loan Application system (OLA). All of the information that we need including supporting documentation and financial information is uploaded in OLA.
3. Once approved, loan documentation will be issued. This sets out the terms of the Loan and any pre conditions that have to be met before the loan can be made.
4. Fulfil the preconditions and accept the loan agreement.

If an application is unsuccessful then all of the business and personal information provided will be deleted from our system.

How long does the application process take?

On average, and assuming we receive all the relevant information, a decision can be made in around 6 weeks. The total time from receipt of application to receipt of loan is usually around 13 weeks. Where complex applications and/or securities are involved the timescale may take longer. Applications are handled by Advisers working for each of the local authorities and throughout this process the Adviser will be your main contact and will be able to guide you through the process.

Contact us

For more information and guidance on the application process contact:

Business Gateway Fife

Call: 01592 858333

Email: success@bgfife.co.uk

Or visit www.businessgatewayfife.com