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A CELEBRATION OF 20 YEARS OF EUROPEAN FUNDS IN WESTERN SCOTLAND

Project Title **Western Scotland Regeneration Fund**
Project Sponsor **Developing Strathclyde Ltd**

PROJECT ORIGIN AND DEVELOPMENT

Research shows that access to finance can still be a major barrier to employment opportunity and self-employment in particular, in the disadvantaged areas of the West of Scotland. The formation of Developing Strathclyde Ltd (DSL) was as a direct response to research into the difficulties faced by people from under-invested communities when attempting to access funding for new or existing businesses.

PROJECT AIMS AND OBJECTIVES

By lending small capital sums or in some cases making equity investments to local people and businesses DSL aimed to develop enterprise opportunity, help grow existing businesses and jobs and strengthen the sustainability of local communities. The project was targeted at disadvantaged (Social Inclusion Partnership) areas of Glasgow and Dunbartonshire, covering a population of 274,000 people.

PROJECT ACTIVITIES

The Western Scotland Regeneration Fund (WSRF) is a special 'access-to-capital' loan fund set up to support ambitious local people and groups, whether they want to set up or expand a business or create a not-for-profit organisation to improve the local community. WSRF is aimed specifically at organisations and enterprises who may face difficulty raising finance from traditional lending sources. There are few exceptions as to what the money can be used for. It could be used to sustain cashflow for the first few months, or to buy a new vehicle. The fund has been possible, thanks to support from a wide range of partners organisations.

Local partners contributed money towards a guarantee fund and a revenue fund. The guarantee fund monies were matched by the DTI's Phoenix Fund. In total this has created a £1.2 million guarantee fund which has been used to lever the investment fund from Unity Trust Bank for on-lending.

The maximum loan or investment is £20,000. There is no minimum. As well as partner contributions, the revenue fund has been supplemented by a £106,000 ERDF award.

PROJECT STRUCTURE

Established in 1993, DSL is a Community Development Finance Initiative (CDFI) based in the East End of Glasgow. A company limited by guarantee, DSL has enterprise trust status and holds a consumer credit licence.

Six members of staff are employed to manage the fund.

DSL's expertise is in fund management rather than business advice. Partner agencies are relied on to provide clients with the advice and support they need to get their

application together, as well as to support them through the repayment period of their loan.

There are partners in most areas to listen to ideas and help with preparation of applications. Projects must make a positive impact in an area, for example by creating new jobs or by providing a much needed service. A business plan is also required detailing what will be done and how.

WSRF Eligibility Criteria:

- be a Glasgow or Dunbartonshire based Small or Medium Sized Enterprise (SME) or social enterprise
- be located in a Social Inclusion Partnership area
- be able to demonstrate significant local impact (ie job creation or retention)
- be able to demonstrate financial viability
- be unable to raise all or part of the required funding from other sources.

PROJECT FINANCE

Funding Partners	Developing Strathclyde Ltd, Glasgow City Council The following in conjunction – Scottish Enterprise Dunbartonshire, West Dunbartonshire Council and West Dunbartonshire Social Inclusion Partnership
Eligible Costs (£)	£213,980
ERDF/ESF Support (£)	£106,990
Priority/Measure	Western Scotland Objective 2 Programme 2000-06 - Measure 3.1 Community based regeneration

PROJECT PERFORMANCE

Indicator	Target	Achievement	% Target Achieved
No of instances of advice to existing businesses	72	18	25.00%
Total no of instances of assistance to existing businesses	72	27	37.50%
Total no of instances of assistance to new businesses	144	66	45.83%
Gross new direct jobs in new SMEs	76.5	73	95.42%
No of gross new jobs created for women	280	24.5	8.75%
No of gross new jobs created in areas defined as most in need	750	199	26.53%
Total gross jobs created through self employment	120	28	23.33%
Total gross no of jobs safeguarded	200	227	113.50%
Total no of gross new jobs created	625	209	33.44%