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START UP LOANS PROVIDES OVER £25MILLION TO WEST MIDLANDS' MICROBUSINESSES

Government-backed scheme sees Birmingham top the table as the most entrepreneurial hub outside of London

The Start Up Loans Company (SULCo) has reached a significant landmark after lending a total of £25million to help kick-start start ups in the West Midlands.

Since launching in 2012, the Government-backed scheme has provided loans to more than 4,000 recipients in the West Midlands and 46,000 in total across the UK. The programme has lent almost £2million to over 500 people in West Midlands who were formerly unemployed or economically inactive.

The Department of Business, Innovation and Skills, now known as the Department for Business, Energy & Industrial Strategy, formed the scheme in 2012. The Start Up Loans Company provides loans up to £25,000 at 6% fixed rate per annum, in addition to offering a mentoring service to each business it supports.

Tim Sawyer, CEO of Start Up Loans Company, said: "Start ups are often referred to as the lifeblood of the economy, so it's great to see such a demand for funding for potential business owners up and down the country.

"The West Midlands has always been a hub for innovation and enterprise, which is evidenced by our £25million lending total in the region. Every pound invested sees a return of £3 to the economy, so it's great to be able to drive small-business success. The next six months is set to be another busy period for microbusinesses in West Midlands and we are proud to support this growth."

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Notes to editors

About SULCo:

The Start Up Loans Company (SULCo) was formed in June 2012 on behalf of the Department for Business, Energy and Industrial Strategy (BEIS), formerly the Department for Business, Innovation and Skills (BIS). SULCo provides personal loans for business purposes of up to £25,000 at 6% fixed rate per annum, and offers free dedicated mentoring and support to each business.

The primary aim is to ensure that viable start ups and early stage businesses have access to the finance and support they need in order to thrive. A network of delivery partner organisations support applicants in all regions and industries throughout the UK.

The funding for SULCo is provided by BEIS and administered by the 100% government-owned British Business Bank. The British Business Bank makes finance markets for smaller businesses work better, enabling the sector to prosper, grow and build economic activity.

In November 2015, the Chancellor committed an additional £108m of funding through to 2020 on top of the £131m already invested.

The Start Up Loans scheme is not designed to generate a commercial profit.

Key statistics

* Since 2012, Start Up Loans has delivered over 44,000 loans, providing more than £276m of funding and helping to back 25 businesses a day.

* In the financial year 2015/2016, the scheme provided 9,141 loans with a total value exceeding £64.1m - helping start around 28 businesses every day of the year

* 19,000 loans have been provided to individuals formerly unemployed or economically inactive and 46% of loans to young people are helping those who were formerly NEET (not in employment, education or training)

* Approximately one in five loans go to residents in the UK's most deprived communities

* The overall return on investment of the scheme is at least £3 per £1

* Loan recipients report estimated average turnover of £49,000 in the first year. For more information about Start Up Loans, please visit: <https://www.startuploans.co.uk/>

**All of these statistics are gross estimates, with the exception of the return on investment numbers, and are based upon Start Up Loans CRM and externally commissioned research from two major surveys undertaken by Qa Research.*