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Press Release

For immediate release

CENTRE LEADS CASH BOOST FOR LONDON'S BUSINESSES

East London Small Business Centre (ELSBC) will help London's businesses access a £3 million Economic Recovery Loan Fund.

The loan fund, launched by the Mayor last week (12th June 2008), will be co-managed by ELSBC and GLE oneLondon – two of the leading enterprise agencies in London. It is designed to provide financial relief to existing businesses during this economic climate, helping London's SME's expand, retain their workforce and create new jobs.

Part of the Mayor's Economic Recovery Action Plan and funded through the London Development Agency (the LDA), the Economic Recovery Loan Fund is available to London's small and medium sized businesses, who have a viable business plan, been trading a minimum of 12 months and have been unable to secure finance from mainstream banks - due to tight credit.

Two ELSBC clients have already been successful in securing finance from this new fund.

Faisal Haque, funder of Wrap It Up said: "We are a small sandwich business looking to grow. We are delighted to have the chance to borrow the money we need at rates that are guaranteed. This will allow us to set up a new branch and increase our sales."

Rob Gribbin, owner of an east London based online ticketing agency Clubtickets said: "Without the loan from ELSBC's new fund, we would find it hard to get the money we need to expand. We will now be able to plan our growth and build our business."

During the launch last Friday the Mayor said: "This new Fund will be a welcome relief for many businesses allowing them to expand and grow and continue their vital contribution to the London economy."

As part of ELSBC's business support services all the loan applicants are supported through intense one to one business advice sessions, whereby a dedicated business advisor will help them work on their business plan prior to applying for the loan.

Tim Heath, ELSBC's Chief Executive said: "The loan comes at a time of most need to many businesses. We will consider each business on its merit and viability, as well as provide business support ensuring they succeed."

ELSBC has also been appointed as the lead provider and supplier of the LDA supported pan London Access to Finance programme. The programme will complement the loan fund and help entrepreneurs prepare a viable business plan for securing the loan and access further finance from banks and private investors.

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Editor's note:

1. ELSBC is a not for profit organisation dedicated to supporting disadvantaged communities in east London set up and develop businesses. It was set up in 1978, and since its establishment has helped over 13, 000 entrepreneurs reach their potential by providing business support, business training and loans of last resort
2. The London Development Agency aims to improve the quality of life for all Londoners – working to create jobs, develop skills and promote economic growth.
3. GLE oneLondon is a leading provider of non-bank finance and has over 25 years' experience in lending to new and growing businesses in London
4. The loans will be available for any business that:
 - Needs a loan to help protect existing jobs or create new ones
 - Has less than 250 employees and annual sales of less than £45 million
 - Is a sole trader, partnership, limited company, social enterprise or charity
 - Is based in London and has been trading for at least 12 months.
5. The Economic Recovery Loan Fund will be available to make loans until 31 March 2010. Loans will be payable at the fixed rate of 6.84% for loans fully secured by a mortgage over commercial property and 8.84% for other loans.

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