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## Government loan scheme to encourage entrepreneurs

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Thousands of young people could benefit under a new government loan scheme to help provide small loans to turn their business ideas into a reality.



The Prime Minister has announced funding for the coalition's Start-Up Loans scheme will be boosted by £30million to £110million over three years. The age limit for applying has also been raised from 24 to 30 because of "high demand" Downing Street aides explained.

The government has insisted the initiative remains on target to issue more than 2,500 loans by March - despite criticism that only a few hundred loans totalling £1.5 million have been finalised since it was launched last autumn.

The scheme is chaired by James Caan, of the Dragons Den TV show, who says there has been a "major shift" in the way business is viewed by the public with entrepreneurs now seen as "creative and exciting role models".

"I am delighted to see that more and more young people are now looking to set up their own business. It is only with this renewed focus on youth entrepreneurship, that we will create more jobs and wealth and see the economy flourish once again.

Close to 3,000 people have registered an interest in the money and mentoring available, which is only available in England and will be delivered through charities such as The Prince's Trust.

Young entrepreneurs with business plans that are deemed "robust" typically receive £2,500 which can be repaid over five years at a low rate of interest.

Mr Cameron stated: "Start-Up loans are an important part of my mission to back aspiration, and all those young people who want to work hard and get on in life, so this country competes and thrives in the global race.

"They are a great way to help this next generation of entrepreneurs get the financial help - and the confidence - to turn that spark of an idea, into a growing, thriving business.

"It is by backing our entrepreneurs and championing small business that we can drive forward and grow the economy, and equip this country for the highly competitive era we are in."

Concerns have been raised that traditional banks were failing to get money into the hands of small and medium sized enterprises. In December a £110million loan scheme for small firms was announced, which saw peer-to-peer lenders receive £55million in taxpayer's money.

Vince Cable's "funding for lending" scheme is worth £80bn and offers low interest loans as long as the money is used to provide credit to households and businesses.

The national loan guarantee scheme was unveiled in March of last year hoping to bring down the cost of borrowing for small and medium-size businesses with £20bn of loans from high street banks.



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GDP	
US	2.8%
China	
UK	-0.6%

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