

Start Up Loans scheme expanded

More new businesses are going to be able to take advantage of an £884 million loan scheme after the Business Secretary expanded its eligibility.

Start-ups that have been trading for up to three years will now be able to apply for loans of up to £25,000 and second loans will be available to businesses up to five years old.



The Start Up Loans programme has provided more than 95,000 loans to start-ups across the UK since its inception in June 2012, offering an average of just over £9,000 in support.

With 33,000 new loans available, eligibility has widened to include businesses trading for up to three years (formerly two years). Businesses can apply immediately under the new criteria.

Start Up Loans provide a fixed interest rate of six per cent, as well as mentoring, support and funding to aspiring business owners across the UK, providing support

to those who might find it difficult to secure loans from traditional lenders.

Alongside this, a new second loan will be available to businesses operating for up to five years, providing eligible businesses between three and five years old much-needed government-backed finance to support their expansion at a crucial juncture.

The scheme has backed businesses across the United Kingdom, with more than £54 million provided to businesses in Scotland, £42 million in Wales and over £12 million in Northern Ireland.

The extension provides further government support for businesses grappling with cost pressures and adds to measures announced by the Chancellor in his mini-Budget, including the introduction of the Energy Bills Relief Scheme to help support them with the costs of energy, reforming off payroll working rules and simplification of the alcohol duty system.

It also builds on key measures the Government has announced for small businesses in particular including extending the £4.5 billion Recovery Loan Scheme and delivering the Help to Grow schemes, which provide mentoring and free software to thousands of businesses across the UK.

For more information visit www.gov.uk/apply-start-up-loan or alternatively speak to your accountant for advice.

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