



**FIN-URB-ACT**

Integrated urban actions  
for fostering and financing  
innovative economies and SMEs

How can cities design a favourable  
environment, so that local banks  
are more active?

Jim Galloway

Tuesday 09 February 2009

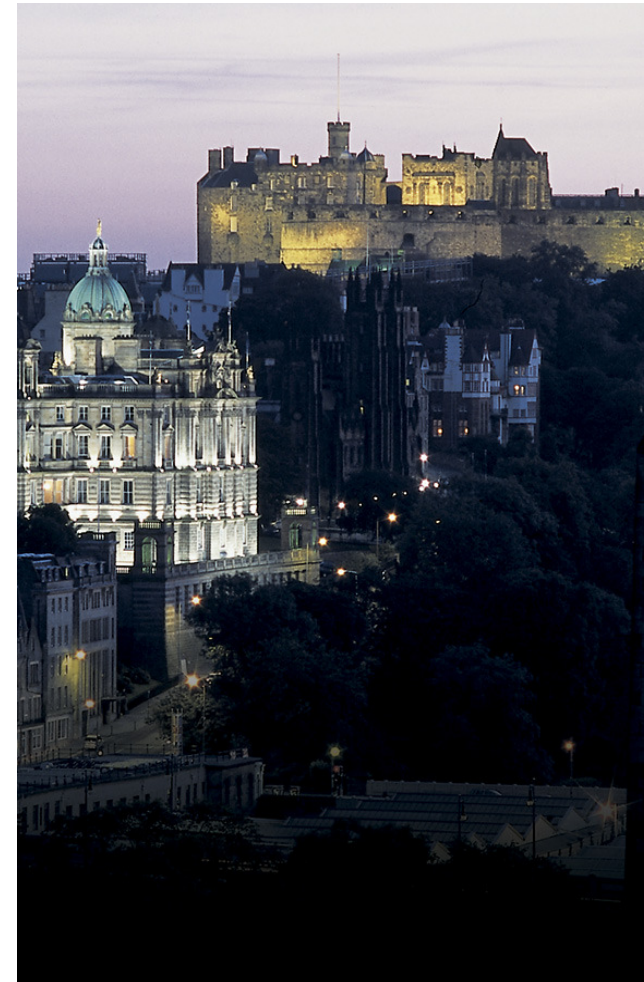


Connecting cities  
Building successes





- › How can cities design a favourable environment, so that local banks are more active?
- › Jim Galloway  
Head Enterprise and Innovation



# The Issues



- › Involving the banks
- › Viability of business plans
- › Conditions of lending
  - » Lending rates
  - » Flexibility and inflexibility
  - » Asset shrinkage
- › Capacity of businesses to raise sufficient funds to support plans



# Edinburgh Initiatives

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- › **Business development and start up support**
- › **Support for business growth**
- › **New hybrid investment fund**



# Business Development and Start Up Support

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## › Business Gateway

- National programme
- Local delivery through the Chamber of Commerce
- Robust business plan testing
- Access to lenders and intermediaries
- Local incubator for micro-enterprise in areas of multiple deprivation



# Supporting Business Growth



AN URBACT II PROJECT

## › National Programmes

- Business Gateway Growth Pipeline
- Account Managed Companies

## › Local Add-on

- Gateway for growth
  - » Additional growth advice for SMEs
  - » Free access to business intermediaries
  - » Business forum for peer support, investment and consortia



# Hybrid Investment Fund



AN URBACT II PROJECT

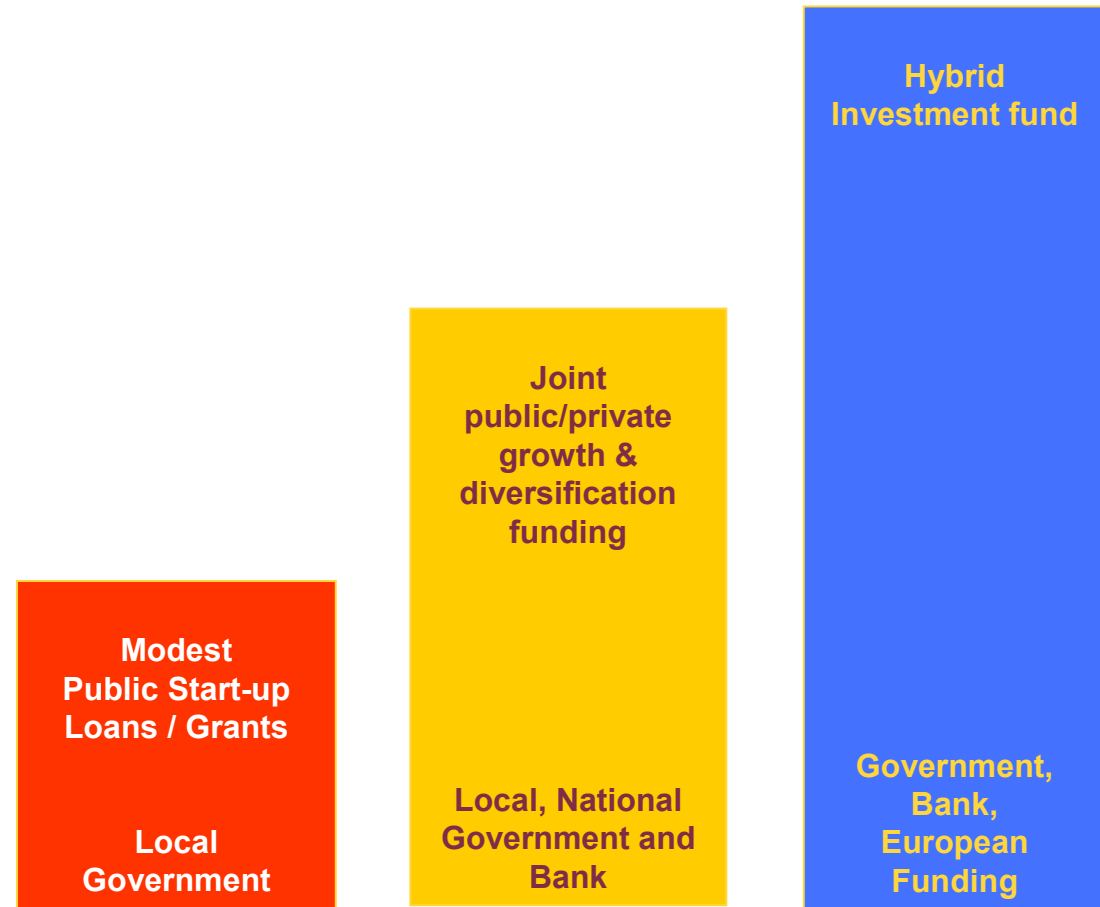
## East of Scotland Investment Fund

- 12 local authorities
- One pooled fund – up to £1.86m (€2.12m)
- Matched by major bank up to £1.86m (€2.12m)
- Application of ERDF for further £2.48m (€2.82m)
- Total fund expected to be £6.2m (€7.1m)





# The model:



£ Volume per intervention



Public Sector Funding

Public/Private Sector Funding





# Conclusions



- › Involve the banks at key stages
- › Target effort
- › Pool resource
- › Lever-in additional funding
- › Promote positive message



Grazie Thanks  
Danke **Merci** Gracias  
**Ευχαριστώ** multumesc  
Takk dziękuję dakujem hvala  
**Obrigado** dziękować  
tänan kiitos köszönöm aciu  
Tack děkuji paldies  
**nizžik ħajr dank u wel**