
Report To:	Regeneration Committee	Date:	7th May 2009
Report By:	Corporate Director- Regeneration and Resources	Report No:	RC/09/05/04/SJ/JH
Contact Officer:	Stuart Jamieson	Contact No:	01475 715555
Subject:	Special Economic Interventions		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval from the Regeneration Committee to utilise the allocation of £76,000 for special economic interventions, allocated from under spend monies from Scottish Enterprise.

2.0 SUMMARY

- 2.1 The 12 Business Gateway contracts across Scotland were originally put in place by Scottish Enterprise covering a three year period from 1 October 2007 to 30 September 2010 with an option to extend for two further one year periods. Following decisions made by the Scottish Government on the delivery of local economic regeneration during 2007, it was agreed that the management of the contracts would be transferred to local government.
- 2.2 As a result of the ongoing transfer of Business Gateway and regeneration functions from Scottish Enterprise, £76,000 has been made available to Inverclyde Council. This pot of money will allow for additional economic interventions during the current downturn.
- 2.3 An economic downturn often constrains Small to Medium Sized Enterprises (SME's) and inhibits their growth. However, research supports the need for more, rather than less, public sector intervention to support business in an economic downturn. Businesses are looking to local authorities to respond to the economic downturn.
- 2.4 The Economic & Social Regeneration Service is already undertaking activity that will support Inverclyde's business community during the economic downturn, and this has previously been reported to Committee. Nevertheless, further action is required to encourage investment and development in the local economy and target help at individuals and business.
- 2.5 The Economic & Social Regeneration Service aims to do whatever it can to lessen the impact on individuals, households and businesses and encourage the investment and development that will help drive an economic recovery.
- 2.6 As a result, the Economic & Social Regeneration Service propose a number of actions to effectively utilise the allocation of £76,000 to further assist business and individuals during financial year 2009/10.
- **Marketing Grant.** Support for marketing to assist company growth/survival. Up to 12 companies assisted with a grant of up to £1,500 with a contribution from the business. Total cost £18,000

- **Third Sector Support.** A fund of £15,000 be made available to provide training and capacity building for third sector organisations.
- **Property Assistance.** Targeted funding towards town centres regeneration. An allocation of £21,000 is proposed in addition to the Property Assistance budget. This may attract additional match funding from Riverside Inverclyde.
- **Support for Employers/Apprentices.** Wage subsidy to employers in the construction industry to retain apprentices for up to 6 months at a cost of £75 per week per trainee. Costs based on eleven trainees. £22,000 (rounded).

The sum of these interventions total £76,000 and will be paid as grants subject to the usual governance requirements.

3.0 RECOMMENDATIONS

It is recommended that members agree to support the interventions identified in Para 2.6:

- 3.1 To utilise the funding available which will assist our broad social and economic objectives.
- 3.2 To a Marketing Grant to assist company growth/survival/job retention.
- 3.3 That money be allocated to Third Sector Support
- 3.4 That additional funding be made available to town centre regeneration via Property Assistance which will allow for leveraging in further funding from Riverside Inverclyde
- 3.5 That support for employers be made available in the form of a wage subsidy to allow apprentices to complete their time served.
- 3.6 And request that a report be presented to Policy and Resources Committee requesting authority to vire part of the existing Earmarked Reserves expenditure to Capital to offset this expenditure.

Stuart Jamieson
Head of Economic & Social Regeneration

4.0 IMPLICATIONS

4.1 Finance:

Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a	n/a	2009/10	£76,000	n/a	To be funded from Reserves.

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
n/a	n/a	n/a	n/a	n/a	n/a

Personnel: None. Activity will be delivered by existing staff.

Finance: The funding is available in the Capital Programme however this expenditure is Revenue in nature. A report will be presented to Policy and Resources Committee requesting authority to vire part of the existing Earmarked Reserves expenditure to Capital. This will release Reserves which will be used to fund this expenditure.

Legal: N/A

Equalities: Full consideration is given to equality and diversity processes within employability and business support programmes delivered by Economic & Social Regeneration which are non-discriminatory on the grounds of gender, ethnicity, religion or belief, disability, age or sexual orientation.

Programme design is undertaken with consideration of the diverse needs of target clients and to fully enable their participation.

The employability agenda is an integral component of promoting social inclusion and geographical targeting at our most disadvantaged areas and individuals.