

REPORT

TO: ECONOMIC DEVELOPMENT COMMITTEE		Subject: BUSINESS DEVELOPMENT SCHEMES - EUROPEAN FUNDING
From: DIRECTOR OF PLANNING & DEVELOPMENT		
Date: 5 OCTOBER 1995	Ref: NLC\REPORT.001	

Purpose of Report

To seek the committee's approval for transitional arrangements to ensure continuity of European grant support from the European Social and Regional Development Funds for business development programmes inherited from Strathclyde Regional Council, Monklands, Motherwell and Cumbernauld & Kilsyth District Councils

Background

1. At present the existing local authorities, in what will become the North Lanarkshire Council area, have a number of business development and area regeneration programmes which receive substantial European grant assistance. It will now be necessary to consider transitional arrangements to ensure that there is continuity of support to effect a seamless transfer of programmes to the new authority.
2. Given the timetable for applying for European Funding, i.e. by next month, for the 1996 programme, it is now a matter of priority to consider making provisional bids for funding in order to secure and maximise as much European support for the Council as possible.

The key programmes and indicative pro-rata share of costings to North Lanarkshire are as follows:-

● Management & Technology Training Grant Scheme - new technology training support to employees in small businesses	202,758
● Employment Grants Scheme - employment subsidies to long term unemployment	166,774
● Economic & Social Cohesion	93,388
● Strathclyde Business Loans - loans to small businesses	48,619
● Youth Employment Training Initiative - vocational training support	36,234
● International Trade Programmes - support to small businesses	43,626
● Strathclyde Seed Capital fund - equity funding to small businesses	22,145
● Capital & Employment in Areas of Priority	14,274
● Local Enterprise Action Fund	16,406
● Business Information Database	4,700
● Women's Action for Start-Up Enterprises	9,596
TOTAL	658,520

It should be pointed out the figures shown overleaf do not reflect the full disaggregate budget, but relates only to indicative costs to this Council of programmes with European funding. This does not commit this Council to any of the above programmes and their costs. It does however enable the Council to plan financially. A more detailed budget will be prepared for Committee in due course.

3. Proposed Transitional Arrangements

Strathclyde Regional Council have offered to make bids for both ESF and ERDF funding for their existing key programmes for the European funding year, 1 January - 31 December 1996. European grant meets almost half the cost of these schemes. SRC will continue to meet the other half of the cost for the period 1 January 1996 to 31 March 1996. North Lanarkshire Council will require to consider providing for these costs in its budget for the balance of the 1996 year, ie 1 April 1996 to 31 December 1996.

It is intended that SRC will submit the applications for both ESF and ERDF on behalf of all of the new Unitary Councils in the "Strathclyde area", with the provision that the new councils will have to confirm, by 31 March 1996, their precise allocation of funds to the programme in their areas.

4. The benefits of this mechanism is that it ring fences European Funds for the new Councils at an early stage and ensures continuity of support to key business development programmes in their area. There is a very strong threat that if this is not done, European funding could be lost to other agencies, and the new unitary councils could lose substantial external resources to the area.
5. North Lanarkshire Council will have the facility to vary their programmes in accordance with local circumstances and budget decisions whilst maintaining European funding support. This will be the subject of separate negotiations directly with the Strathclyde European Partnership. It is proposed that an assessment be carried out on the status of each of the existing authorities programmes and projects, and that a report be prepared for a future Economic Development Committee meeting, outlining the projects proposed for continuation for 1996/97 and the budgetary implications.
6. A similar exercise will be carried out for District Council programmes where relevant.

Recommendation

It is recommended:

- (i) A report be prepared highlighting transitional programme issues and that this be available for a future Economic Development Committee.
- (ii) That the Council notes that SBD will forward the provisional bids for ESF and ERDF funding in the current round of European Funding.

For further information contact G Smith, Head of Business Development and Property.