

## REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject:  NORTH LANARKSHIRE COUNCIL MANAGEMENT AND TECHNOLOGY TRAINING GRANT SCHEME 1996
From: DIRECTOR OF PLANNING AND DEVELOPMENT		
Date: 15 April 1996	Ref: JT/DD/REP.0.19	

**INTRODUCTION**

Strathclyde Regional Council operated a Management and Technology Training Grant (MTTG) programme, in various forms, for 14 years. This report seeks to advise the Committee of the nature and impact of the MTTG and recommends that the Committee approve the operational guidelines of the scheme, with minor amendments, to accommodate a more local focus, in North Lanarkshire during 1996.

**THE MTTG SCHEME**

The MTTG programme provides grants to small businesses to cover part of the costs of employee training required to maintain or stabilise company growth, where companies would not otherwise be able to undertake it. The scheme is targeted at companies with growth or development potential.

MTTG operates to encourage employers to provide employees with up to date skills in technological, manufacturing and management techniques. This encouragement is provided by offering eligible companies a grant covering 80% of the fees charged by external trainers for approved training programmes. Companies can only utilise MTTG after a full business appraisal has been conducted by an economic development officer of the Council.

**UPTAKE OF THE SCHEME IN THE NORTH LANARKSHIRE COUNCIL AREA**

The uptake of MTTG since 1993 in North Lanarkshire is as follows;

	<u>1993/94</u>	<u>1994/95</u>	<u>1995/96(9 months)</u>
No. of companies	188	160	92
No. of trainees	610	573	516
Total value of grants	486,534	449,869	264,242

## PROPOSED ORGANISATION AND MANAGEMENT OF THE SCHEME

The scheme will be delivered by the Economic Development Unit in accordance with the attached guidelines (Appendix 1). These will be reviewed annually by the Economic Development Unit to ensure that the scheme is being implemented in a manner which fully complements commercial and industrial sector programmes.

All applicant companies who appear eligible in outline will be subjected to a comprehensive business/training project appraisal. This will assess:

- ◆ the stability of the business
- ◆ the direction/strategies of the business
- ◆ linkages between the proposed training and the above
- ◆ demonstrating how that the company would not be able to undertake the training without subsidy
- ◆ the quality and value for money of the proposed training programme
- ◆ the impact/relevance of the business and their plans on the local economy

Output targets will also be agreed. These will be both person centred (i.e. what trainees will be able to do after being trained) and business centred (i.e. what will be the impact of the training on the business and the local economy)

The Economic Development Officer responsible for carrying out the above assessment will prepare a report on the project and recommend approval or rejection. Formal approval or rejection will be made by a senior officer within the Economic Development Unit in accordance with the undernoted delegated authority;

- ◆ applications with a value of under £5,000 would require to be approved by the Senior Business Development Officer and the Economic Development Manager
- ◆ applications of a value between £5,000 - £10,000 would require to be approved by the Economic Development Manager and the Head of Economic Development
- ◆ applications with a value exceeding £10,000 would require the approval of the Economic Development Committee

Given the present staffing resources within the Economic Development Unit the following timescales, for approval or rejection of applications, can be achieved:

- ◆ applications with a value below £5,000 - 3 weeks
- ◆ applications with a value between £5,000 - £10,000 - 4 weeks
- ◆ applications with a value exceeding £10,000 - 8 weeks

Grant will only be paid when training is complete and all trainees can demonstrate they have achieved the prior agreed targets. Payments will be authorised in terms of the above levels of delegation. Attainment of business related targets will be assessed on a sample basis between 6 and 12 months after project completion.

Progress will be reported to the Economic Development Committee on a quarterly basis.

## **BUDGET ALLOCATION AND TARGETS**

The Committee have considered and agreed a report dated 8 January 1996 entitled 'Business Development Support and Budgets', which outlined a range of programmes, including MTTG, which will be provided by North Lanarkshire Council

An application for European funding, from the European Social Fund, has been approved by the Strathclyde European Partnership. The European Social Fund will provide match funding not exceeding 45% of the total public sector funding for the MTTG scheme.

Committee has agreed a revised budget of £144,355. This, together with a contribution from the Lanarkshire Development Agency of £50,000 would, including eligible expenditure of £42,231 for marketing and promotion, provide for an ESF contribution of £193,554. The total budget would therefore be £430,110.

The total budget, excluding marketing and promotion, would provide for 110 grants (based on an average cost of £3,500).

## **RECOMMENDATIONS**

It is recommended that the Committee:

- (i) approve gross expenditure of £144,335 on MTTG grants during 1996/97, subject to budget provision;
- (ii) approve the proposed administration arrangements detailed in the report;
- (iii) approve expenditure of £10,000 on marketing and promotion of the MTTG scheme;
- (iv) notes that progress reports will be presented to Committee on a quarterly basis.



Gordon Smith  
Head of Business Development & Property

**MANAGEMENT & TECHNOLOGY TRAINING GRANT  
OPERATIONAL GUIDELINES**

# 1996

**NORTH LANARKSHIRE COUNCIL**



## MANAGEMENT AND TECHNOLOGY TRAINING GRANT

### 1996 OPERATIONAL GUIDELINES

#### 1. WHAT IS THE SCHEME?

- 1.1 It is a training grant scheme operated by the Planning and Development Department of North Lanarkshire Council, in collaboration with the Lanarkshire Development Agency.
- 1.2 It is aimed at helping eligible North Lanarkshire companies to improve their business performance by providing new skills to their workforce. The skills must be associated with the installation of:
  - New Technology  
or
  - New Management Techniques
- 1.3 Skills must be **new and additional** to the company. Grants will not be awarded for routine training or training required by legislation.

#### 2. WHICH COMPANIES ARE ELIGIBLE?

- 2.1 To qualify companies must employ less than 250 persons world-wide (including holding companies and subsidiaries) and be able to prove they comply with at least one of the following:
  - generate over 50% of turnover from manufacturing
  - generate over 50% of turnover from outwith the Strathclyde area
  - directly support the manufacturing process
- 2.2 For programmes involving new technology applicant companies must have the relevant equipment, hardware or software installed in their business or be able to install it as part of the project. Proof of ownership will be required before any grant will be paid.

#### 3. WHAT TYPE OF TRAINING PROGRAMME IS ELIGIBLE?

- 3.1 Eligible training programmes must be aimed at improving the applicant company's operating performance and have a measurable impact on at least one of the following:
  - Business turnover;
  - Business efficiency;
  - Level of exports or exportable services;
  - Prevention of imports; and
  - General increase in profitability.

- 3.2 Eligible programmes will normally last for at least 40 hours but this can be spread over a number of months if this is appropriate to the programme.
- 3.3 In certain instances a ceiling on the length of the programme may be imposed.

#### 4. WHAT TRAINEES ARE ELIGIBLE?

- 4.1 Trainees must be Strathclyde residents and proof of this may be required.
- 4.2 Trainees must be permanent employees of the company applying for grant.
- 4.3 Trainees must be in jobs which are directly relevant to the training programme.
- 4.4 Trainees must have the necessary background, qualifications, experience, etc. for them to effectively undertake the training programme.

#### 5. WHAT IS THE LEVEL OF GRANT?

- 5.1 Grant will be calculated using the following formula:  
Grant = Hours required by trainer for face to face training x trainers hourly rate x 80%.
- 5.2 The number of hours requested for any particular training programme and the hourly rate being charged must be broadly comparable with other similar applications received by the Council. In certain instances reductions may be imposed.
- 5.3 Applicants will have to provide details of the full cost of the project including any other financial assistance awarded.
- 5.4 Travel and accommodation grants will only be paid with respect to trainees who, as part of the training programme, must spend at least one night away from home. Travel and accommodation costs will only be paid where there is no local training provider to deliver the required training. The grant will be based on the following formula:

Travel  
80% of the standard rail or air fare.

Accommodation  
Anywhere in the UK £30 per night  
Elsewhere overseas £60 per night

5.5 In all cases the following ceiling on grant will be imposed:

£5,000 per trainee per year  
£35,000 per company per year

## 6. WHO CAN DO THE TRAINING?

- 6.1 Only training organisations who are on the MTTG trainers list can carry out training.
- 6.2 **New trainers to the scheme will be added to the list only when they have a specific company to be trained.**
- 6.3 Each training programme funded under the scheme will be monitored. Any adverse reports on the training will be investigated by Council Officers. This may result in training organisations being removed from the trainers list.

## 7. WHAT IS THE APPLICATION PROCEDURE?

- 7.1 The first stage is for the applicant company to complete a 1996 MTTG Application Form. These can be obtained from the Economic Development Unit.
- 7.2 Completed forms should be returned directly to the Economic Development Unit.
- 7.3 **AN UP TO DATE COPY OF THE COMPANY'S ACCOUNTS (BALANCE SHEET AND P/L) MUST BE ATTACHED TO THE APPLICATION FORM.**
- 7.4 All applications will be acknowledged within 5 days of receipt.
- 7.5 If the application appears eligible a case officer will be appointed and they will contact the company to arrange a visit to discuss the application. During this visit long term objectives and short term trainee competencies will be agreed. A report on the application will be prepared.
- 7.6 The application will then be considered for full approval by the funders of the scheme.
- 7.7 If full approval is given, the company will be informed by letter. This will usually be within 14 days of the visit by the case officer.
- 7.8 If the application is rejected the decision will be communicated by letter and reasons given.

- 7.9 If an applicant wishes to appeal against a rejection or level of grant awarded they must do so in writing to the address overleaf clearly stating the basis for the appeal. If this concerns either the length of time allowed for a training programme or the trainers fee charges the Council may request a competitive quotation for comparison purposes.

## 8. WHAT HAPPENS NEXT?

- 8.1 The approved company must confirm acceptance of the terms and conditions of the grant.
- 8.2 Failure to return the acceptance form and training dates within 4 weeks of approval may result in the grant being withdrawn.
- 8.3 Any changes to the programme must be approved by Council officers and written confirmation given prior to the changes taking place.
- 8.4 It is the applicant company's responsibility to draw up an appropriate contract with their specified trainer.
- 8.5 All monies due to the trainer must be paid before release of grant is considered.

## 9. HOW TO CLAIM GRANT?

- 9.1 When the training is complete and the conditions of the offer have been met, companies should submit their claim.
- 9.2 Claims must include the following:
- Completed "Claim for Payment" form
  - Training records for all trainees
  - Proof that the trainer has been paid i.e. the original trainers invoice and either the returned cheque for the payment or a copy of the bank statement showing the appropriate transaction.
- 9.3 On receipt of the above you will be visited by a Council officer who will assess the outcomes of the training programmes.
- 9.4 Grant will only be paid to the company if competencies have been achieved and are considered satisfactory by Council officers.

**10. ARE THERE ANY OTHER CONDITIONS?**

- 10.1 The names of all companies receiving grant and the amount of grant may be reported to Council committees.
- 10.2 Additional conditions may be imposed on any applicant as may be considered appropriate by the funders of the scheme.
- 10.3 The determination of eligibility in respect of any applicant for grant under this scheme shall be within the absolute discretion of the Council.
- 10.4 Please note: These guidelines are published so that all interested parties will fully understand the requirements of the scheme. Payment of grant will be withheld if any guideline is not complied with, (unless a written dispensation is obtained) or if any information is provided which is misleading or incorrect.

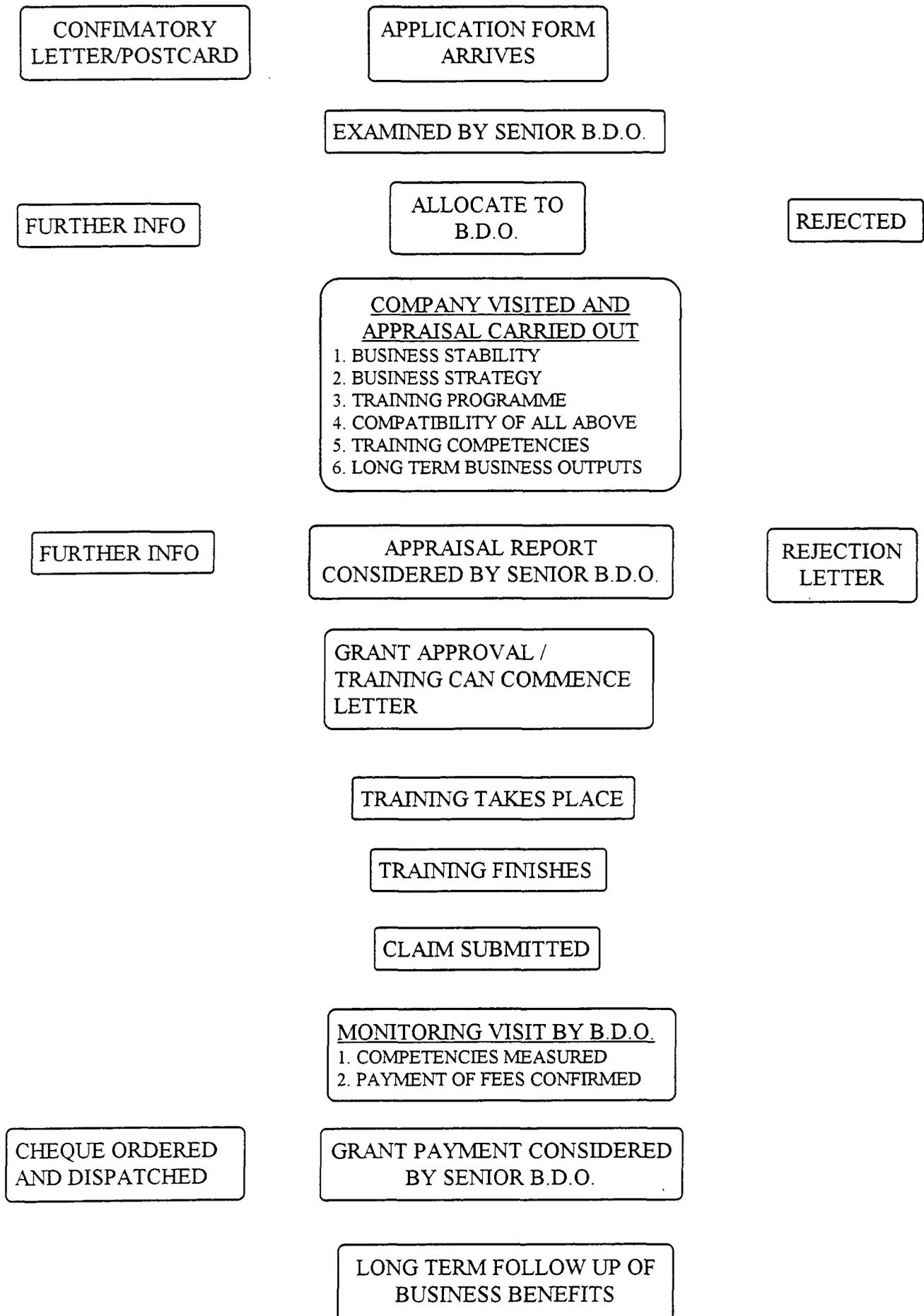
**11. SEND YOUR APPLICATION TO:**

**ECONOMIC DEVELOPMENT UNIT  
PLANNING AND DEVELOPMENT DEPARTMENT  
ECONOMIC DEVELOPMENT UNIT  
NORTH LANARKSHIRE COUNCIL  
FLEMING HOUSE  
CUMBERNAULD  
G67 1JW**

**TELEPHONE: 01236 457266**

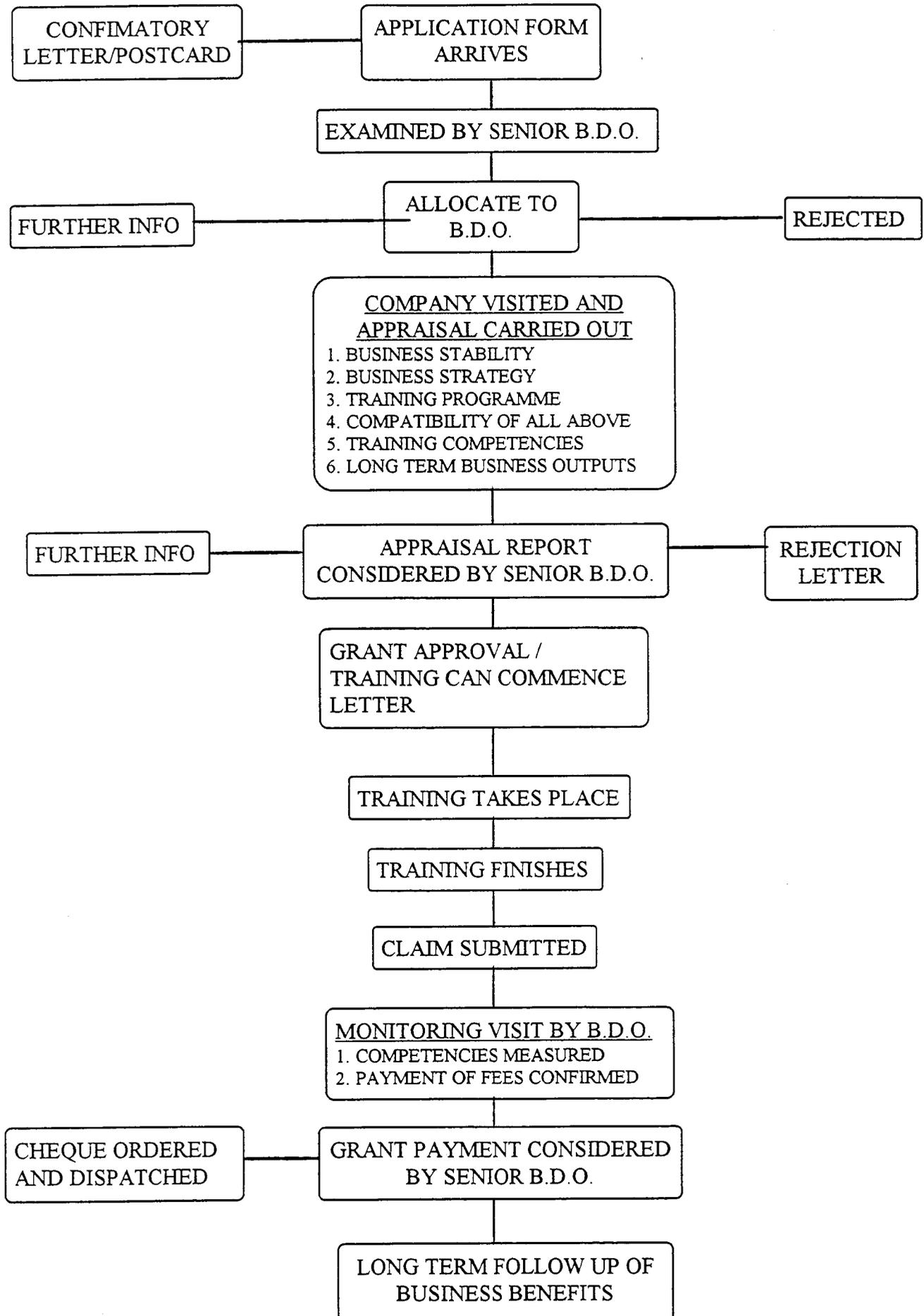
# ECONOMIC DEVELOPMENT UNIT

## MTTG PROCESS FLOW DIAGRAM



# ECONOMIC DEVELOPMENT UNIT

## MTTG PROCESS FLOW DIAGRAM



**NORTH LANARKSHIRE COUNCIL****ECONOMIC DEVELOPMENT UNIT****Management & Technology Training Grant Checklist**

On receipt of MTTG application the following must be checked:-

**A. COMPANY ELIGIBILITY**

- |    |   |  |
|----|---|--|
| 1. | Is the company based within the North Lanarkshire area ?  | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 2. | Does the company employ less than 250 employees ?   | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 3. | Is the company manufacturing ?  | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|    | or  |  |
|    | Is there proof that over 50% of company's turnover is generated from outwith Strathclyde area ? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|    | or  |  |
|    | Does the company directly support manufacturing ?   | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 4. | Is the application form completed in full ?   | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 5. | Do all the proposed trainees reside within the Strathclyde area ?                               | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 6. | Is there an up to date set of audited company accounts ?  | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 7. | Is the company solvent ?  | Yes <input type="checkbox"/> No <input type="checkbox"/> |

**B. TRAINING ELIGIBILITY**

- |    |   |  |
|----|---|--|
| 1. | Is the training new and additional to existing skills ? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 2. | Is the proposed training company registered ?           | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 3. | Is there an adequate training plan enclosed ?           | Yes <input type="checkbox"/> No <input type="checkbox"/> |

If the applicant company comply with all of the above then appraisal can be carried out.