

NORTH LANARKSHIRE COUNCIL
REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: FORGEWOOD HOLDINGS - NORTH LANARKSHIRE COUNCIL REPRESENTATION
From: DIRECTOR OF PLANNING AND DEVELOPMENT		
Date: 5 August 1996	Ref: MMcC/.058	

Forgewood Holdings was set up in 1990 as part of the Forgewood Initiative. The holding company is financed by a group of companies which includes Forgewood Landscaping, Forgewood Security and Forgewood Market Research, which was started in 1993. Previously, Motherwell District Council were represented on the board of Forgewood Holdings by a Business Development Officer who continued the representation after April 1 1996 on behalf of North Lanarkshire Council.

When the group of companies began trading in 1990 they were financed by a total grants package including capital, management, consultancy and training of £90,146 and employed 23 people. The group income in the first trading year was £477,093. The growth across all areas of the company's activities has continued in the 6 years the company has been trading. The grant contribution has become almost negligible in this period while the employment figure has increased to 92 full-time employees and a varying number of part-time employees as seasonal demand occurs. In the financial year 1995/96 group turnover was just over £1 million. Forgewood Holdings was started to ensure that residents of the Forgewood area benefited by achieving employment as a direct result of the Forgewood Initiative. The company have aimed at all times to create full-time secured employment for the people of the area and have balanced this aim with the need for profit. Currently, employees of Forgewood Landscaping are undergoing training to SVQ Level 2 enabling the company to remain competitive by providing employees with the necessary accreditation.

The formation of the Market Research company in 1993 represented a departure from the usual low skills base of a community business and has created 10 new jobs in the area. To date, the Market Research company has achieved steady growth building an influential client base and an excellent reputation in the market place. The Forgewood group of companies are one of Scotland's most successful community businesses. In 1995 the company relocated from the centre of Forgewood into Braidhurst Business Centre, the former presbytery of St. Lukes parish. The house was refurbished to create

a modern business centre environment which accomodates the Holding company and several tenants.

The second phase, a small work space development within the grounds of the business centre, is soon to be completed. Eight small industrial units, totalling 4,152 square feet, have been developed alongside the business centre to provide a secure business environment for start-up businesses in the area with the additional benefit of secretarial support provided by the business centre. To date, 2 of the 8 units have been let.

While North Lanarkshire Council do not contribute financially to Forgewood Holdings on a core funding basis, in recent years Motherwell District Council did grant project funding to the development of the new property for the company. This was used to support a European structure funds application which levered significant funding to the project. The board of Forgewood Holdings are eager that North Lanarkshire Council continue to be represented on the board.

PROPOSAL

It is proposed to arrange for representation on the board of Forgewood Holdings by replacing Maureen McConachie, Economic Development Manager, with John Turley, Senior Economic Development Officer. This change in representation would be in line with the aim of the Economic Development Unit to build close links between the area teams based in Cumbernauld and their local business communities.

RECOMMENDATION

The Committee approves to:

- (i) Continue North Lanarkshire Council representation on the board of Forgewood Holdings
- (ii) Agrees that John Turley becomes the Council's representative.



Stanley C Cook
Director of Planning and Development

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