

## NORTH LANARKSHIRE COUNCIL

## REPORT

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: ENTERPRISE TRUST FUNDING
From: DIRECTOR OF PLANNING AND DEVELOPMENT		
Date: 31 July 1996	Ref: MMcC/.056	

**Introduction**

There are three Enterprise Trusts operating within the area of North Lanarkshire providing a range of services to unemployed residents and SME's. In the past the three Trusts; Motherwell Enterprise Development Company, Monklands Enterprise Development Company and Cumbernauld & Kilsyth Enterprise Trust have received funding from their respective District Councils as well as Strathclyde Regional Council. Each of the Trusts have requested funding from North Lanarkshire Council in the 1996/97 period.

**Funding Formula**

Funding from Enterprise Trusts comes out of the Contingency for Joint Venture budget which currently stands at £127,600. This budget also funds all other external organisations seeking financial support from the Council for Economic Development related services. £80,000 has been identified to be allocated to the Enterprise Trusts in this current financial year. A formula for disaggregating this budget has been developed which is outlined in the table overleaf. By adopting the formula as a means of disaggregation it ensures that an equitable split across the 3 areas is achieved in relation to the 2 main client groups of the Enterprise Trusts, unemployed residents and the number of companies within each area.

## Project Funding

Programmes	Budget	Indicators	Indicators by Area Division				Budget Split by Area Div'n		
			NLC	North	Central	South	North	Central	South
Contingency for Joint Ventures	80,000	Unemployment	21,120	3,893	7,311	9,916	13,500	28,000	37,600
				18%	35%	47%	18%	35%	47%
	80,000	No. Of Firms	5,592	1,332	1,800	2,460	19,200	25,600	35,200
				24%	32%	44%	24%	32%	44%
			Average of above 2 splits				<b>16,800</b>	<b>27,200</b>	<b>36,000</b>
							21%	34%	45%

In return for project funding each Enterprise Trust will provide the first point of contact for SME's in their area seeking business assistance and information for individuals considering self employment or business start-ups. The Trusts will provide business counselling and signposting services on behalf of the Council at a local level advising client groups on the range of Economic Development programmes available from North Lanarkshire Council. The funding will be provided to the Trusts on a contractual basis in return for agreed outcomes and targets per programme. The Trusts will be required to signpost SME's and individuals to the Council's full range of programmes. These programmes will be clearly branded as being provided by North Lanarkshire Council and the following measures will be agreed with each Trust:

1. Promotion of the clearly defined identity of North Lanarkshire Council's programmes.
2. Specific mention in correspondence of North Lanarkshire Council's Economic Development projects.
3. Prominent display of North Lanarkshire Council promotional material in window/reception area and counselling rooms.
4. Access to meeting rooms by Economic Development staff at meetings with client groups arranged by Enterprise Trust staff to meet specific client needs.

### **Monitoring and Evaluation**

Targets for each programme will be agreed with each Trust and monitored by the Economic Development Unit. The quality of referral from the Trust will also be monitored. An annual evaluation of the performance of each Trust will be conducted and reported to the Economic Development Committee.

The Enterprise Trusts will participate in any promotional or information events within their local area promoting the programmes of North Lanarkshire Council. They will act as first point of contact at a local level for a number of Council programmes specifically Boost for Business Start-up, Local Enterprise Action Fund, and Boost for Business Growth.

The Enterprise Trusts will receive additional payment directly related to performance or based on delivery of the following programmes:

Management & Technology Training Grant

Local Enterprise Action Fund

Boost for Business Start-up

Marketing Assistance Programme

Women Mean Business

Women's Management Development Programme.

### **Payment Structure**

The Trusts will receive 2 payments per year. 50% of project funding in September 1996 and the balance in March 1997. Payment will be made on receipt of programme monitoring reports being returned to the Council by the Trusts.

### **Board Representation**

As the relationship between the Enterprise Trusts and Council has altered with the shift from core funding to project funding it is no longer necessary for the Council to be represented on the Board of each Trust.

Existing Council representation at elected member or official level should be resigned to bring the Council/Trust relationship into line with the commercial relationship that exists with other contractors to the Council.

## Recommendation

The Committee is asked to note the contents of this report and to approve:-

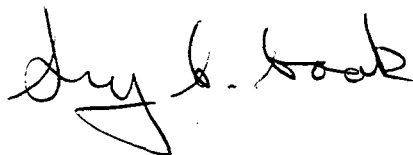
(i) Payments as outlined.

Motherwell Enterprise Trust        £36,000

Monklands Enterprise Trust        £27,200

Cumbernauld & Kilsyth Enterprise Trust        £16,800.

(ii) That Council representation on the Board of the Enterprise Trusts should be discontinued.



Stanley C Cook  
Director of Planning and Development

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