

To: PLANNING AND ENVIRONMENT COMMITTEE		Subject: EUROPEAN FUNDING APPLICATIONS – OBJECTIVE 3 – LANARKSHIRE BUSINESS PLACEMENT PROJECT
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 1 May 2002	Ref: EB/Rep847	

1. Purpose of Report

1.1 This report is submitted to the Planning and Environment Committee in order to seek approval for the submission of an application to the European Structural Funds Objective 3 Programme for the proposed Lanarkshire Business Placement Project.

2. Background

2.1 Following the establishment and work of the Lanarkshire Economic Forum it has been considered that a joint package of business training services, with uniform eligibility criteria and grant funding levels, would prove the most effective means to deliver support to new and existing businesses with their business training needs. It is also the view that this approach would have the greatest chance of attracting match-funding under the European Structural Funds.

2.2 A working group consisting of officers from both Councils has been meeting to address this issue. As a result of the work of this group the Lanarkshire Business Venture Fund, which was the subject of a report dated 1st February which was submitted to the Committee on 20 February and which has been submitted for European Objective 2 funding, resulted from these discussions. There are additional proposals to extend business support programmes across Lanarkshire. This proposal is to develop a Business Placement Project which will commence in January 2003 and which will be the subject of an application to the Scottish Objective 3 Partnership for support.

3 Proposed Lanarkshire Business Placement Project

3.1 This will be a flexible fund aimed at assisting Small to Medium Size Enterprises (SMEs) to undertake specific business growth and/or development projects. This will be achieved through company placements for highly skilled unemployed individuals, for up to 6 months duration. Support would be available for companies who fit the European definition of SME, primarily targeted at key clusters but with flexibility to approve other projects which can be justified in terms of contributing to ongoing business development programmes being supported through other network schemes. The Lanarkshire Business Placement Fund is designed to meet the strategic aims of the Policy and Economic Development Service, in particular Creating an Environment to Support Sustainable Economic Growth through Strategic Business Development, Stimulating Enterprise and Self-Employment and Working in Partnership. It also contributes towards the aims of the Council’s Corporate Plan Priority Theme, Stimulating Business and the Economy.

3.2 The Lanarkshire Business Placement Project will provide grant assistance for up to 6 months to finance placement within a company to carry out a defined business project which the organisation does not have the necessary skills in-house to undertake. The company in conjunction with the Small Business Gateway will identify a suitable individual to carry out the project. This could include anyone with the following background:

- Undergraduate available for short summer project or sandwich course project;
- Recently graduated individual;
- Unemployed person with relevant skills/experience
- Unemployed person who needs skills update to be able to carry out project.

3.3 The scheme would not contribute to straight consultancy exercises, which could be funded through existing programmes. The object of the scheme is twofold:

- To enable the company to carry out a specific piece of work identified as necessary for their business development;
- To provide an element of skills transfer, leaving the company better equipped to make use of the results of the project in the future.

An additional benefit of the project may be the full time employment of the individual.

3.4 The company will enter into a contract with the individual concerned. If the individual is unemployed they would be required to employ that individual and make the necessary PAYE and NI payments. Grant of up to £150 per person per week for a maximum of 26 weeks. The company will be expected to match this by at least 100%. In addition, if the person who has been placed requires an element of upskilling to be able to undertake the project, grant support towards this training would be available – up to a maximum of £500 per person.

4 Conclusion

4.1 Developmental work, including consultation with appropriate partners is now ongoing in order that the application can meet the May 2002 deadline. A requirement of Scottish Objective 3 applications is that approval is obtained from the Council in order that applications are deemed competent. Given the tight deadline for applications and the Committee cycle within North Lanarkshire it is not possible at this stage to provide more detailed information as to the content of the application. A further report will be submitted to Committee with full programme criteria and guidelines as soon as they are available.

4.2 It is proposed that the £30,000 annual contribution will be financed from the existing business project fund budget line.

5 Recommendation

5.1 The Planning and Environment Committee is requested to:

- i) Approve the submission of an application for ERDF support through the Scottish Objective 3 Partnership to match fund the proposed Lanarkshire Business Training Fund programme.



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