

Date: 14 November 2002
Time: 9.30am - 12.30pm
Venue: Committee Room 1, National Assembly for Wales, Cardiff Bay
Title: REGIONAL SELECTIVE ASSISTANCE STATISTICS FOR 2002-03

1. Purpose

To inform the Committee of the number and distribution of offers for Regional Selective Assistance and Assembly Investment Grants so far in 2002-03.

2. Introduction

Regional Selective Assistance (RSA) helps support capital investment projects in the Assisted Areas that create new jobs and/or safeguard existing ones.

In the period April to 30 September 2002 120 offers of RSA with a total value of £60.7 million were made to companies. Associated project investment is £235.5 million and the projects are forecast to create 4,090 new jobs and safeguard 1,447 existing jobs. In the same period in 2001-02, 131 offers of RSA were made with a total value of some £88.4 million with associated project costs of over £385 million; these projects are forecast to create 4,797 new jobs and safeguard 3,025 existing jobs.

The **Assembly Investment Grant (AIG)** scheme was introduced on 1 April 2002. The scheme offers financial support throughout Wales for small and medium sized enterprises (SMEs) - generally those with less than 250 full time equivalent employees. It provides grants of between £5,001 and £50,000 with the minimum of red tape. Job creation or safeguarding is not essential (except for 'aid for job creation' – see below) , but applicants must provide assurance that there will be no overall job loss as a result of the project.

If the applicants' proposal involves a relatively low level of capital expenditure but will create new jobs, assistance may be offered as "Aid for job creation" and is calculated as a proportion of the salary costs associated with the new jobs.

In the period 1 April to 31 October 2002, 140 offers of AIG with a total value of £4.6m were made to companies to help support over £15m investment. These projects were hoped to create 216 new jobs and maintain 1,165 jobs.

3. Details of RSA offers made in 2002-03 (to 30 September)

- Numbers of RSA offers are down compared to the same period in 2001-02, but it is likely that the AIG scheme has siphoned off some projects that would otherwise have been submitted as RSA applications.
- More than 67% of the offers were to companies less than 10 years old.
- 55 offers, worth £19.6m with 2,168 new/safeguarded jobs, were made for the service sector. The remaining 65 offers (£41.1m and 3,369 jobs) relate to the manufacturing sector.
- Average salary levels per project, range from £8,400 to £33,600, with an overall average across all projects of around £17,300.
- 17% of the offers were towards projects by overseas owned companies. These represent 62% of the total value of grant offered and 45% of the total number of jobs forecast to be created and safeguarded, illustrating the relatively larger size of projects by non-UK owned companies.
- 68% of the offers were towards projects by Welsh companies. These represent 28% of the total value of grant offered and 36% of the total number of jobs forecast to be created and safeguarded.
- The average grant per job for Welsh companies is £8,657 compared to £15,021 for overseas owned companies and £5,732 for other UK companies.
- The average grant per job for projects that wholly or mainly create jobs is £11,770, that for wholly or mainly safeguarding projects is £9,055

3.1. Project types:

Project Type	Number	Amount offered £m	Project costs £m	New jobs	Safeguarded jobs
Start ups/new plants	38	32.8	150.4	2,354	0
New activity at existing site	15	2.9	8.4	215	106
Transfer to new site	22	6.2	17.4	632	96
Modernisation/ expansion at existing site	41	17.6	55.9	772	1,095
Management buy out	4	1.2	3.4	267	0

3.2 SMEs and large companies:

	Number	Offer Value £	Project Cost £	New Jobs	Safeguarded Jobs
Large	23	36,272,000	154,696,500	1,766	992
SMEs	97	24,466,702	80,790,258	2,324	455

3.3 Welsh, Other UK and foreign-owned companies:

	Number	Offer Value	Project Cost	New Jobs	Safeguarded Jobs
		£	£		
Welsh	82	17,046,202	55,034,531	1,575	394
Other UK	18	6,110,500	19,175,201	912	154
Foreign owned	20	37,582,000	161,277,026	1,603	899

3.4 New and safeguarded jobs

Project Employment	Number	Offer Value	Project Cost	New Jobs	Safeguarded Jobs
		£	£		
Exclusively new jobs	89	44,191,902	177,503,924	3,616	-
Exclusively Safeguarded jobs	12	8397000	24666700	-	1,020
Mainly New jobs	5	1760000	5335000	255	33
Mainly Safeguarded jobs	14	6389800	27981134	219	394

3.5 Unitary Authority area:

Unitary Authority areas:	Number	Offer Value	Project Cost	New Jobs	Safeguarded Jobs
		£	£		
Blaenau Gwent	11	5,880,000	12,717,671	600	29
Bridgend	9	12,815,000	37,370,423	659	118
Caerphilly	14	3,092,000	8,200,854	185	202
Cardiff	11	3,877,000	13,386,128	686	82
Carmarthenshire	2	130,000	428,000	13	39
Ceredigion	3	219,500	615,000	19	3
Conwy	2	3,245,000	8,452,376	145	0
Denbighshire	4	515,000	1,111,700	67	39
Flintshire	8	1,070,000	3,046,270	232	0
Gwynedd	8	1,532,000	6,897,376	88	56
Merthyr Tydfil	2	520,000	1,274,026	53	0
Monmouthshire	-	-	-	-	-
Neath & Port Talbot	7	9,229,402	68,458,000	360	198

Newport	3	351,000	1,880,403	31	5
Pembrokeshire	1	35,000	148,000	3	0
Powys	-	-	-	-	-
Rhondda Cynon Taf	14	5,113,800	17,021,530	205	325
Swansea	8	8,679,000	35,160,000	440	346
Torfaen	8	4,000,000	17,684,500	248	5
Vale of Glamorgan	2	125,000	556,300	20	0
Ynys Mon	3	310,000	1,078,201	36	0
Total	120	60,738,702	235,486,758	4,090	1,447

Notes :

(i) Wrexham is not included in this table as it is not an eligible area for RSA purposes.

(ii) Monmouthshire and Powys is largely non-assisted; there has been no RSA activity in that part which lies within the Assisted Area.

4. Details of AIG offers made in 2002-03 (to 31 October)

The scheme is designed to operate with a minimum of red tape and so the extent of applicant information is limited. In turn, this restricts the range of possible analyses. The table below shows the geographic distribution of offers.

Unitary Authority areas:	Number	Offer Value	Project Cost	New Jobs	Maintained Jobs
Blaenau Gwent	3	119,500	196,070	18	3
Bridgend	6	226,000	476,600	4	0
Caerphilly	16	512,020	1,190,466	20	58
Cardiff	11	435,000	2,371,145	58	15
Carmarthenshire	9	249,650	684,802	1	32
Ceredigion	1	34,000	74,067	-	-
Conwy	6	236,000	525,150	3	39
Denbighshire	11	356,000	928,220	5	270
Flintshire	16	543,775	3,463,870	23	136
Gwynedd	11	339,500	818,405	11	118
Merthyr Tydfil	2	75,000	172,653	0	33
Monmouthshire	2	32,000	182,000	0	4
Neath & Port Talbot	9	313,000	1,040,272	22	89

Newport	2	100,000	531,200	27	25
Pembrokeshire	2	65,500	135,500	3	134
Powys	6	165,765	870,517	3	77
Rhondda Cynon Taf	13	377,200	869,097	6	82
Swansea	2	100,000	226,325	5	4
Torfaen	6	247,500	530,165	7	38
Vale of Glamorgan	3	40,000	81,600		
Wrexham	-	-	-	-	-
Ynys Mon	3	92,200	315,860	0	8
Total	140	4,659,610	15,683,984	216	1,165

Action required of the Committee

The Committee should note the figures for 2002-03 for offers of RSA and AIG in Wales.

Investment and Corporate Management Division