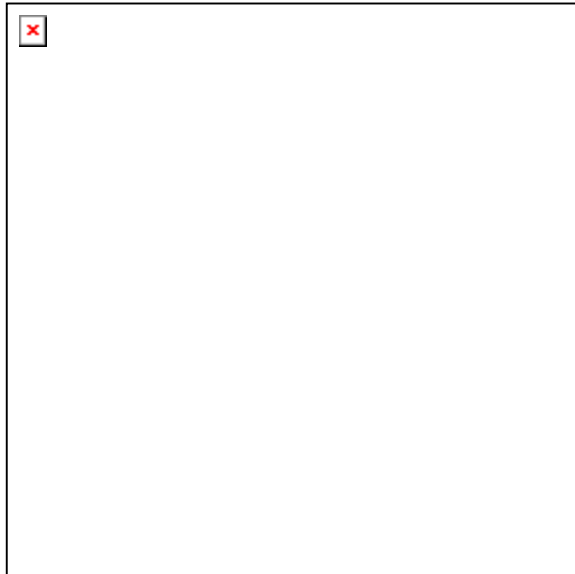


Date: 28 November 2001
Time: 14.00 - 17.30
Venue: Committee Room 1, National Assembly Building
Title: REGIONAL SELECTIVE ASSISTANCE (RSA) STATISTICS FOR 2001-02

Purpose



To inform the Committee of the number and distribution of offers for Regional Selective Assistance in the first 2 quarters of 2001-02. This report presents information to the Committee in the format requested during EDC-02-01. This is the second report in this format, as noted previously, no historic comparisons are possible.

Introduction

Regional Selective Assistance (RSA) helps support capital investment projects in the Assisted Areas that create new jobs or safeguard existing ones. It is the main form of financial incentive to industry to encourage investment and growth in Wales. The aim of the scheme is to reduce disparities in employment opportunities between Assisted and non-Assisted areas. RSA is an approved scheme under EC national regional aid guidelines and is operated in Wales, England and Scotland under a common GB framework.

Details of offers offer made since 1 April 2001

- In the first 6 months of 2001-02, 131 offers of RSA with a total value of £88.4 million were made to companies. Associated project investment is over £407 million and the projects are forecast to create 4,797 new jobs and safeguard 3,025 existing jobs. 103 of these offers have been accepted to date.

A breakdown by project types:

Project Type	Number	Amount offered £m	Project costs £m	New jobs	Safeguarded jobs
Start ups/new plants	37	24.6	93.5	1,817	137
New activity at existing site	28	13.4	34.2	676	841
Transfer to new site	18	11.6	132.1	713	199
Modernisation/expansion at existing site	47	38.6	147.0	1,591	1,781
Management buy out	1	0.15	0.7	0	67

- Around 50% of offers were to companies less than 10 years old
- 31 offers, worth £22.6m with 1,923 new/safeguarded jobs, were made in respect of the service sector. The remaining 100 offers (£65.8m and 5,899 jobs) relate to the manufacturing sector.
- Average salary levels per project range from £10,000 to £28,700, with an overall average across all projects of around £16,900.

2. The split between SMEs and large companies was :

	Number	Offer Value	Project Cost	New Jobs	Safeguarded Jobs	Average Processing Time
		£	£			(Days)
Large	28	69,139,000	302,886,000	3,061	2,837	56
SMEs	103	19,248,112	104,592,727	1,736	188	44

3. The split between UK and foreign-owned companies was:

	Number	Offer Value	Project Cost	New Jobs	Safeguarded Jobs	Average Processing Time
		£	£			(Days)
UK	100	32,827,112	200,797,837	2,359	785	44
Foreign owned	31	55,560,000	206,680,890	2,438	2,240	55

About 23% of the offers were towards projects by overseas owned companies. These represent about 63% of the total value of grant offered and 60% of the total number of jobs forecast to be created and safeguarded, illustrating the relatively larger size of projects by non-UK owned companies. The average grant per job for UK companies is lower at £10,441 compared to £11,877 for overseas owned companies.

4. The table below gives a breakdown of offers by Unitary Authority area:

Totals for Unitary Authority areas:	Number	Offer Value	Project Cost	New Jobs	Safeguarded Jobs
		£	£		
Blaenau Gwent	11	10,715,200	30,701,000	428	166
Bridgend	5	5,671,000	12,621,300	238	505
Caerphilly	12	8,690,000	38,015,550	797	26
Cardiff	14	19,861,500	150,245,585	1,228	136
Carmarthenshire	6	8,402,812	22,673,179	28	836
Ceredigion	2	275,000	1,201,875	33	0
Conwy	3	175,000	543,240	13	2
Denbighshire	7	4,260,000	16,906,760	156	225
Flintshire	8	1,960,000	13,671,130	298	77
Gwynedd	6	600,000	2,076,694	63	9
Merthyr Tydfil	4	910,000	2,650,000	71	5
Monmouthshire	1	2,000,000	6,125,000	0	224
Neath & Port Talbot	10	1,869,000	5,653,020	107	257
Newport	4	510,000	3,099,200	103	0
Pembrokeshire	5	352,000	1,383,464	26	32
Powys	1	1,255,000	7,402,000	77	0
Rhondda Cynon Taff	15	4,288,600	17,406,930	261	172
Swansea	6	8,170,000	45,097,000	397	0
Torfaen	5	3,975,000	10,015,000	271	89
Vale of Glamorgan	4	1,425,000	7,871,000	183	144
Ynys Mon	2	3,022,000	12,119,800	19	120

Total	131	88,387,112	407,478,727	4,797	3,025
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Note : Wrexham is not included in this table as it is not an eligible area for RSA purposes.

Action required of the Committee

The Committee should note the current figures for 2001-02 for offers of RSA in Wales.

Investment and Corporate Management Division

