

Date: 10 July 2002
Time: 14.00 to 17.30
Venue: Committee Room 1, National Assembly Building, Cardiff Bay
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 3 quarters of 2001-02. This report presents information to the Committee in the format requested during EDC-02-01. This is the third fourth 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 made since 1 April in 2001-02

- In the first 9 months of 2001-02, 270 offers of RSA with a total value of £143.3 million were made to companies. Associated project investment is over £623 million and the projects are forecast to create 9,184 new jobs and safeguard 3,989 existing jobs. 247 of these offers have been accepted to date.

A breakdown by project types:

Project Type	Number	Amount offered	Project costs	New jobs	Safeguarded jobs
		£m	£m		
Start ups/new plants	76	40.1	150.3	3,555	137
New activity at existing site	50	18.9	50.0	1,188	970
Transfer to new site	47	18.7	156.6	1,423	327

Modernisation/ expansion at existing site	94	63.7	256.3	2,911	2,219
Management buy out	3	1.9	10.0	107	336

- o More than 60% of the offers were to companies less than 10 years old
- o 95 offers, worth £45.4m with 4,491 new/safeguarded jobs, were made in respect of the service sector. The remaining 175 offers (£97.9m and 8,682 jobs) relate to the manufacturing sector.
- o Average salary levels per project, range from £7,000 to £30,375, with an overall average across all projects of around £16,400.

2. The split between SMEs and large companies was :

	Number	Offer Value	Project Cost	New Safeguarded Jobs	Average Jobs Processing	Time (Days)		
		£	£					
Large	385	473,233,276	99,251,100	318,606,112	431,779,847	3,295,478	2,985,500	6258
SMEs	155	216,274,043	364,067,982	131,594,142	191,481,036	2,969,439	489,303	5058

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

	Number	Offer Value	Project Cost	New Safeguarded Jobs	Average Jobs Processing	Time (Days)
		£	£			
UK	224	65,686,782	320,166,529	5,555	1,394	58
Foreign owned	46	77,632,300	303,094,354	3,629	2,595	60

About 17% of the offers were towards projects by overseas owned companies. These represent about 54% of the total value of grant offered and 47% 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 £9,453 compared to £12,473 for overseas owned companies.

Officials have had discussions with statistician colleagues about the breakdown of RSA by Welsh indigenous companies. It was hoped that by now it would have been possible to match the RSA

and the Inter-departmental Business Register databases to produce the result. However, there are some difficulties with this and staff will produce the numbers from scans of the files. The Minister will report to Economic Development Committee on this at the meeting on 10 July.

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	16	12,960,200	37,475,250	451	394
Bridgend	11	6,152,000	13,868,072	317	519
Caerphilly	22	16,945,000	65,885,320	1,362	142
Cardiff	27	24,024,500	172,988,885	1,628	387
Carmarthenshire	15	11,189,312	28,623,764	401	872
Ceredigion	2	275,000	1,201,875	33	0
Conwy	5	430,300	1,291,240	30	12
Denbighshire	17	5,995,000	22,437,961	351	255
Flintshire	19	3,780,000	23,950,071	555	82
Gwynedd	14	2,515,000	6,296,368	311	25
Merthyr Tydfil	5	1,160,000	3,710,000	92	5
Neath & Port Talbot	29	3,427,000	12,899,500	321	274
Newport	9	16,380,000	81,950,200	873	30
Pembrokeshire	11	820,200	2,816,258	77	44
Powys	2	1,290,000	7,799,000	83	0
Rhondda Cynon Taf	28	14,380,600	46,342,124	1,081	411
Swansea	16	11,404,970	56,394,697	636	97
Torfaen	12	5,101,000	15,072,698	337	161
Vale of Glamorgan	7	1,857,000	9,687,800	223	144
Ynys Mon	3	3,232,000	12,569,800	22	135
Total					

Notes :

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

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

5. The Committee will wish to note that the Industrial Development Act Annual Report for the year ending 31 March 2002 is currently being prepared. This is a joint report prepared by the Secretary of State for Trade and Industry, the First Minister of the Scottish Parliament and the First Minister of the National Assembly for Wales. The report describes the exercise of powers under the Industrial Development Act 1982, including the power to make RSA grants, and will provide additional statistical information regarding RSA offers in Wales, Scotland and the English regions. A further report will be submitted to the Committee regarding this matter.

Action required of the Committee

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

Investment and Corporate Management Division