

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 5 JUNE 2001

BUSINESS SUPPORT PROGRAMMES REVIEW OF THE SCHEME OF DELEGATION

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1** To seek the support of the Committee for a revision of the Scheme of Delegation as it applies to the Business Support Schemes.

2 BACKGROUND

- 2.1** At its meeting on 25 April 1996, the Committee agreed to recommend to the Council that a Scheme of Delegation for the business development programmes be adopted.

- 2.2** The delegation was in respect of the range of business development programmes which the Council continued from its predecessor authorities, namely :

- Employment Grants Scheme;
- Management and Technology Training Grant;
- Youth Employment and Training Initiative;
- Business Loans; and
- Trade Development Support.

- 2.3** The key operational principle of the delegation was to allow decisions about financial support for companies to be made quickly and efficiently, in order that the Council could fulfil its role of providing funding assistance to businesses to support their continued growth and development.

- 2.4** The approved delegations for the above schemes are as shown on the following table :

SCHEME	DELEGATION
SCHEMES STILL ACTIVE	
Business Loans	<p>Loans up to £20,000 : any two of Director of Development Services/Head of Economic Development/Business Development Manager</p> <p>Loans from £20,001 to £30,000 : consultation with Chair / Vice-Chair after agreement of any two of Director of Development Services/Head of Economic Development/Business Development Manager</p>
Trade Development Support	any two of Director of Development Services/Head of Economic Development/Business Development Manager
SCHEMES NO LONGER OPERATED	
Employment Grants Scheme	<p>up to 25 employees : any two of Director of Development Services/Head of Economic Development/Business Development Manager</p> <p>over 25 employees : consultation with Chair / Vice-Chair after agreement of any two of Director of Development Services/Head of Economic Development/Business Development Manager</p>
Management & Technology Training Grant	<p>Grant of up to £10,000 : any two of Director of Development Services/Head of Economic Development/Business Development Manager</p> <p>Grant in excess of £10,000 : consultation with Chair / Vice-Chair after agreement of any two of Director of Development Services/Head of Economic Development/Business Development Manager</p>
Youth Employment & Training Initiative	up to 5 new recruits : any two of Director of Development Services/Head of Economic Development/Business Development Manager

2.5 Due to the termination of the 1997/1999 Western Scotland European Programme under which the Employment Grants Scheme, Management & Technology Training Grant and the Youth & Employment Training Initiative received ESF funding support and also due to the introduction of the New Deal Programme and other areas of overlap with programmes of business assistance, these schemes are no longer operated.

- 2.6** The Council continues to provide loan funding through both the West of Scotland Loan Fund and directly from the Capital Programme. Support continues to be granted to companies to participate in trade events which will lead to the development of overseas markets.

3 CURRENT BUSINESS DEVELOPMENT SUPPORT

- 3.1** The nature of the support required by local businesses is acknowledged to be more diverse and flexible than can be addressed by schemes of support which are based on a rigid set of operational guidelines, as was the case under the previous schemes.
- 3.2** The Business Grants budget is now used to provide more holistic support which is specific to each business case and is assessed on an individual basis, where the application for support must be justified by a fully detailed and comprehensive business plan. The key criteria for the assessment of an application includes the following key elements :
- commercial viability of the business itself and the proposed new project;
 - projected outcomes in terms of business performance and employment;
 - contribution to the economy of east Ayrshire;
 - leverage which the Council's support would generate in terms of the whole funding package for the project (particularly from the private sector).
- 3.3** To date, all such applications have been brought before Committee, as individual cases for approval.

4 PROPOSED AMENDMENTS TO THE SCHEME OF DELEGATION

- 4.1** To maintain the key principle of the efficient operation of the business development schemes and the need for decisions to be taken quickly, it is proposed that the Scheme of Delegation be reviewed to allow decisions to be taken by officers in consultation with the Chair or Vice Chair.
- 4.2** The general principle proposed would be to continue and extend the delegation which currently operates for loan funding under the West of Scotland Loan Fund. The revised proposals are as follows :
- approval by officers would be any two of the Director of Development Services, the Head of Economic Development and the Business Development Manager, up to a level of £30,000; and
 - approvals for amounts in excess of £30,000 would be by specific approval from Committee.

4.3 The attached table sets out the full range of support measures and the proposed delegations.

4.4 In all cases, the current practice of providing monitoring reports to Committee will be maintained, providing summary information on all approvals of business assistance which have been awarded, either under delegation or by specific Committee approval.

5 LEGAL IMPLICATIONS

5.1 Any approvals granted under the proposed amendments to the Scheme of Delegation would continue to be subject to appropriate contractual documentation being drawn up by – or in consultation with – the Solicitor to the Council and being concluded with the client company before disbursement of the approved funds.

6 POLICY IMPLICATIONS

6.1 The proposed review of the Scheme of Delegation will contribute towards the achievement of the Council's objectives of efficient and effective delivery of services, in the context of Best Value.

7 FINANCIAL AND PERSONNEL IMPLICATIONS

7.1 There are no financial or personnel implications.

8 RECOMMENDATION

8.1 **That the Committee requests the Council to incorporate the proposed revisions to the delegations on approvals of business loan and grant support into the approved Scheme of Delegation.**

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Director of Development Services

jrs:30/05/2001

BACKGROUND PAPERS

Nil

**For further information please contact JOHN SPOONER, Business
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BUSINESS SUPPORT PROGRAMMES :REVIEW OF THE SCHEME OF DELEGATION

SUPPORT MEASURE	TYPE OF SUPPORT	PROPOSED DELEGATION
West of Scotland Loan Fund	Loans up to £30,000	Any two of Director of Development Services / Head of Economic Development / Business Development Manager
Special Loans – from Capital Programme	Loans in excess of £30,000	Approval by specific report to the Development Services Committee, or in appropriate circumstances, the Emergency Powers Committee
Trade Development Support	Grants of up to £2,000 per event or £4,000 in any financial year to support costs of attendance at trade events which will lead to export market opportunities	Any two of Director of Development Services / Head of Economic Development / Business Development Manager
Business Grants	Grants to support business development projects	Grants of up to £30,000 : any two of Director of Development Services / Head of Economic Development / Business Development Manager Grants in excess of £30,000 : approval by specific report to the Development Services Committee, or in appropriate circumstances, the Emergency Powers Committee

AGENDA