REPORT BY THE CHIEF EXECUTIVE

Abstract: This report notes the success of the Angus Grant Scheme and seeks authority to continue to support it in conjunction with Scottish Enterprise Tayside, by granting approval to contribute a further £30,000 to the scheme.

1 RECOMMENDATION

1.1 It is recommended that the Committee:

a) Note the recent success of the Angus Grant Scheme;

b) Note the previous successful application for European Regional Development Fund (ERDF) grant for a five year period until 31 December 2006 and remit the Chief Executive to explore a further ERDF grant to allow for an expansion of the scheme;

c) Note that Scottish Enterprise Tayside has confirmed conditionally a contribution of a further £30,000 subject to this being matched by Angus Council; and

d) Approve the contribution of a further £30,000 from Angus Council to the Angus Loan Fund Ltd, the vehicle through which the Angus Grant Scheme is operated.

2 INTRODUCTION

2.1 The Angus Grants Scheme was introduced in 2002 after the success of the Angus Rural Grant Scheme pilot project.

2.2 The Angus Grant Scheme assists the formation of businesses with growth potential and enhances the development of small businesses, employing less than 25 staff, in the eligible and transitional areas of Tayside. Grants are available from a minimum of £1,000 to a maximum of £5,000, and a maximum of 30% of eligible budget costs can be covered.

3 CURRENT POSITION

3.1 The Angus Grant Scheme was developed with the intention of assisting the formation of businesses with growth potential and to enhance the development of existing small businesses in Angus. Since its creation, it has produced the following results:-

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of companies assisted</th>
<th>Amount of grants awarded (£)</th>
<th>Jobs created</th>
<th>Jobs safeguarded</th>
<th>Private sector leverage (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible¹</td>
<td>8</td>
<td>29,584</td>
<td>8</td>
<td>6</td>
<td>38,915</td>
</tr>
<tr>
<td>Transitional²</td>
<td>10</td>
<td>41,182</td>
<td>2</td>
<td>69</td>
<td>77,346</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>70,766³</td>
<td>10</td>
<td>75</td>
<td>116,261</td>
</tr>
</tbody>
</table>

¹ ERDF area covering Arbroath and Carnoustie.
² ERDF area covering Monifieth, Forfar, Brechin and the Glens.
³ Angus Council contribution of this has amounted to £19,106.82.
3.2 These results indicate that for each council pound invested in the grant scheme, a further nine pounds has been realised from the private sector and other external funding sources.

4 FINANCIAL IMPLICATIONS

4.1 ERDF funding for the Angus Grant Scheme has been awarded for a five year period (2002 – 2006). This provides approximately 46% of the costs of the scheme, the rest being divided on a 50:50 basis between Angus Council and Scottish Enterprise Tayside. The partners are currently exploring a further ERDF application to allow for an expansion of the scheme.

4.2 Due to the success of the scheme, and in order to continue its operation, it is proposed that the funding partners make top-up contributions in the amount of £30,000 each. Scottish Enterprise Tayside has committed this sum, on condition that it is matched by the same from Angus Council. The additional request for ERDF is based on using the £60,000 as matched funding so that an increased number of clients can be assisted.

4.3 This sum can be met from an allowance in the Council’s financial–Economic Development Capital plan for Financial Assistance to Business in 2004/05.

5 HUMAN RIGHTS IMPLICATIONS

5.1 There are no Human Rights implications arising from this report.

6 CONSULTATION

6.1 The Director of Law & Administration and Director of Finance have been consulted in the preparation of this report.

7 CONCLUSION

7.1 The Angus Grant Scheme has made considerable contribution to business creation, retention and expansion. The grants awarded have assisted 18 small or start-up businesses to diversify or expand, and 85 jobs have been created or safeguarded.

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

DV/WP/MM

30 March 2004

A B Watson
Chief Executive