

Industrial Development Act 1982

Annual Report

by the Secretary of State for Trade and Industry,
the First Minister of the Scottish Executive,
and the First Minister of the National Assembly for Wales
for the year ended 31 March 2004

*Presented to Parliament, the Scottish Parliament and the
National Assembly for Wales pursuant to sections 11 and 15
of the Industrial Development Act 1982*

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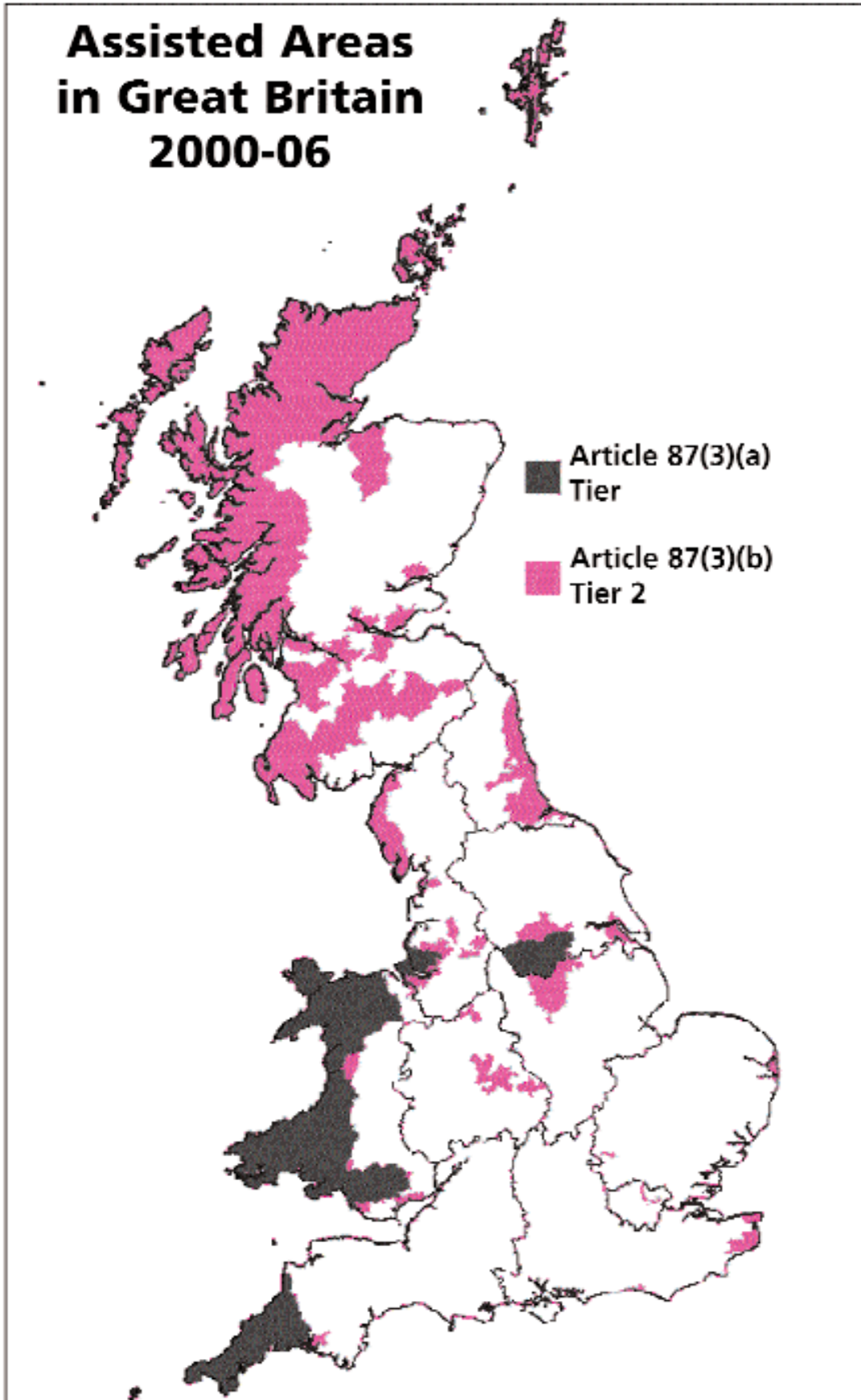
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Abbreviations

AIGS	Assembly Investment Grant Scheme
BVM	Business Volunteer Mentoring
CDFI _s	Community Development Finance Institutions
CDVF	Community Development Venture Fund
DTI	Department of Trade and Industry
ECSC	European Coal and Steel Community
EGS	Enterprise Grant Scheme
EMDA	East Midlands Development Agency
EU	European Union
GO	Government Office
IDAB	Industrial Development Advisory Board
IDB	Industrial Development Board
ISERBS	Iron and Steel Employees Re-adaptation Benefit Scheme
LDA	London Development Agency
NFEA	National Federation of Enterprise Agencies
NWDA	North West Development Agency
OECD	Organisation for Economic Co-operation and Development
PDF	Phoenix Development Fund
POL	Post Office Limited
R&D	Research and Development
RDA	Regional Development Agency
RES	Regional Economic Strategy
RIDB	Regional Industrial Development Board
RSA	Regional Selective Assistance Scheme
RVCF	Regional Venture Capital Fund
SBS	Small Business Service
SEEDA	South East England Development Agency
SFIE	Selective Finance for Investment in England
SIDAB	Scottish Industrial Development Advisory Board
SI	Statutory Instrument
SIF	Shipbuilding Intervention Fund
SME _s	Small and Medium Sized Enterprises
SPUR	Support for Projects Under Research
UK	United Kingdom
US	United States
WDA	Welsh Development Agency
White Paper	White Paper on Enterprise, Skills and Innovation ‘Opportunity for All in a World of Change’ (CM 5052) published in February 2001.

Assisted Areas in Great Britain 2000-06



This map is intended to be used as a guide only.

Industrial Development Act 1982

Joint Report by the Secretary of State for Trade and Industry, the First Minister of the Scottish Executive and the First Minister of the National Assembly for Wales.

Introduction

1. As required by sections 11 and 15 of the Industrial Development Act 1982, this Report for the year ended 31 March 2004 describes the exercise of powers under the Act, including the powers under past legislation which the Act consolidated. Sections 11 and 15 of the Act are reproduced at **Appendix 1**.

2. As a result of the devolution legislation (the Scotland Act 1998, the Government of Wales Act 1998 and SI 1999/672), from 1 July 1999 some powers under the Act have been exercised in Scotland by the First Minister of the Scottish Executive, in Wales by the First Minister of the National Assembly for Wales and, concurrently throughout the UK, by the Secretary of State for Trade and Industry.

Review of Business Support: changes to Department of Trade and Industry business support schemes

3. Following the DTI reviews and in order to ensure the provision of well focused, high quality business support, business support schemes were the subject of a comprehensive review during 2002.

4. On 20 November 2002 the Secretary of State for Trade and Industry announced changes to the business support provided by the DTI leading to a radical restructuring to promote enterprise and innovation, and meet customer need for a streamlined range of products that are easy to access. As a result of the review the number of schemes has been reduced from over a hundred to around ten new products.

5. The first set of new products was announced by the Secretary of State, on 31 March 2003. The Industrial Development Act 1982 ('the IDA 1982') provided the legal basis for some of the products. The first of these was the extended **Small Firms Loan Guarantee** (under section 8 of the IDA 1982), designed to help more small businesses obtain bank loans, which came into operation on 1 April 2003. A new regional capital investment product under Section 7, Selective Finance for Investment in England ('SFIE'), has replaced RSA from 1 April 2004.

Assistance Under Section 7

6. Financial assistance in the Assisted Areas continued to be provided through a number of measures during the year.

Regional Selective Assistance Scheme

7. The purpose of providing assistance under section 7 was to encourage sound projects, which would improve employment opportunities in the Assisted Areas (see map on page vii). Projects which qualified for assistance fell into two broad categories:

- (a) new projects and expansions which created employment; and
- (b) projects, e.g. for modernisation or rationalisation, which did not provide extra jobs but maintained/safeguarded existing employment.

8. All Regional Selective Assistance (RSA) applications were assessed against the following criteria:

- (a) **Location** – Projects must have been undertaken in the Assisted Areas;

- (b) **Need** – Applicants need to have demonstrated that a grant was necessary to enable the project to proceed;
- (c) **Eligible investment** – The project must have involved capital expenditure (of more than £500,000 in England) on fixed assets, such as property, plant and machinery; however, where this expenditure was insufficient, grant may have been assessed against new jobs created. Expenditure could relate to expansion, modernising or the establishment of a new company;
- (d) **Jobs** – The project must have created or safeguarded jobs. But projects which were likely to create overcapacity, or which simply displaced jobs elsewhere in the UK, or aimed to relocate jobs from one part of the country to another, were not eligible for assistance;
- (e) **Viability** – Businesses and projects should have been viable; and the project would normally have been expected to become profitable within three years;
- (f) **Quality** – Four key factors were amongst those used to determine the quality of projects: wage levels, sustainable employment, R&D, and training;
- (g) **National and Regional benefit** – All projects should have contributed positive benefits to both the regional and national economies;
- (h) **Prior commitments** – Project appraisal must have been completed and a formal offer of assistance issued, before the applicant entered into a commitment to proceed with the project; and
- (i) **Other funding** – The greater part of funding for the project should have been met by the applicant or come from other sources in the private sector.

9. The powers to provide RSA in England were exercised by the Secretary of State for Trade and Industry. In Scotland and Wales, the First Minister of the Scottish Executive and the First Minister of the National Assembly for Wales exercised the powers.

10. Set out below are brief details of RSA applications received and offers accepted during 2003/2004. Offers may relate to applications received in previous years.

Table 1

	Applications Received		Offers Accepted	
	No.	Value £('000)	No.	Value £('000)
England	362	214,683	258	150,165
Scotland	209	70,876	157	46,611
Wales	180	131,484	144	98,166
Great Britain	751	417,043	559	294,942

11. The number of RSA applications received in Great Britain increased from 723 in 2002/2003 to 752 in 2003/2004. The total value of RSA requested decreased from £480 million in 2002/2003 to £420 million. The number of offers accepted decreased slightly from 587 in 2002/2003 to 557 in 2003/2004, and the value of offers accepted decreased from £294.6 million in 2002/2003 to £239.9 million.

12. Broken down by country, England accounted for 46% of offers accepted, Scotland for 28% and Wales for 26%. In terms of the value of the offers accepted, England accounted for 40%, Wales 41% and Scotland 19%. Of offers accepted, England accounted for 61% of forecast employment and 49% of the associated project costs. Wales accounted for 21% of forecast employment and 36% of the associated project costs, and Scotland for 18% of forecast employment and 15% of the associated project costs.

13. Out of the total for England, the North East received 30.3% of applications (23% in 2002/2003), followed by the North West with 21.2% (30.8% in 2002/2003), and Yorkshire and the Humber with 16.2% (18.5% in 2002/2003). In terms of offers accepted during 2003/2004, the North West accounted for 29% (32% in 2002/2003) and the North East for 25% (24% in 2002/2003). In value terms, the North East accounted for 27% (25% in 2002/2003) and the North West for 23% (36% in 2002/2003). Of offers accepted, the North West

accounted for 26.8% of forecast employment and 24.3% of associated project costs, while the North East accounted for 24% of forecast employment and 24.6% of associated project costs.

14. The average cost per job of offers accepted in 2002/2003 was:

Table 2

Country/Region	Value (£'000)	Forecast Employment	Average cost per job
Great Britain	294,942	43,122	6,840
Scotland	46,611	7,171	6,499
Wales	98,166	8,737	11,235
England	150,165	27,214	5,518
East	6,018	2,155	2,792
East Midlands	5,661	1,515	3,736
London	2,607	911	2,861
North East	26,229	5,916	4,333
North West	22,007	6,604	3,332
South East	493	123	4,008
South West	10,251	2,267	4,521
West Midlands	12,010	2,883	4,165
Yorkshire and the Humber	9,889	2,216	4,462

15. The amount of RSA offered to foreign owned companies provides a useful indicator of the level of inward investment. In the year to 31 March 2004 offers of £109.5 million were accepted for 121 projects in Great Britain, these projects were associated with capital investment of £716.7 million and were forecast to create 8,408 new jobs and safeguard a further 7,904. Further details are at **Appendix 2**.

16. Details of offers of RSA against which first payments were made during the year to 31 March 2004, were published in Labour Market Trends in April, July and October 2003, and January 2004.

17. On 2 April 2002, responsibility in the English regions for RSA below £2 million transferred to the Regional Development Agencies; appraisal of projects above this figure remain with the DTI.

Selective Finance for Investment in England

18. With effect from 1 April 2004, a new capital investment product was introduced to replace Regional Selective Assistance (RSA) and Enterprise Grants (EG) in England. Both RSA and EG closed to new applications at 18.00 hours on 31 March 2004. The new product, "Selective Finance for Investment in England", replaced RSA/EG in the English Assisted Areas and offered a more limited form of assistance in "Tier 3" areas, similar to that available under EG. SFIE will be delivered by the Regional Development Agencies, except for a very few of the largest applications which would continue to be appraised by DTI in London.

19. The key changes the new product aims to secure (in addition to the existing RSA criteria) are growth in productivity, measured by Gross Value Added (GVA) per Full Time Equivalent (FTE) employee compared to the sector and national averages; and higher skills, with the majority of jobs required to be at NVQ level 2 (or equivalent) and above. Scope remains to continue support for a small proportion of projects which do not meet the new criteria but which are judged to be of value because of their gains for regional employment in areas of particularly high unemployment.

20. Under the new product there will be a minimum threshold for grant applications of £10,000. The grant maximum in Tier 3 areas is being increased from £75,000 to £100,000. Applications of less than £100,000, in both the Assisted Areas and Tier 3, will not require job creation or safeguarding to be eligible for support.

Shipbuilding Intervention Fund (SIF)

21. Most UK shipyards are located in the Assisted Areas and therefore SIF expenditure has largely fallen under section 7, however, for those not in Assisted Areas, it fell under section 8 (see Assistance under section 8 for details).

22. Aid to shipbuilding within the European Union (EU) is regulated by the EU Shipbuilding Regulation. Under the Regulation, operating aid, paid in the UK through the Shipbuilding Intervention Fund (SIF), expired on 31 December 2000, i.e. no offers could be made for contracts between shipyards and owners signed after that date. The Regulation is permissive and Member States were allowed to provide support up to the ceiling set by the Commission. For the year 2000 this was set at 9% of new building costs for ships with a contract value of Euros 10 million or more, and 4.5% for new builds costing less than that amount and for conversions. The UK offered support up to those maximum permitted levels for new building contracts and up to a ceiling of 2.25% for conversions (grants were not available for ships costing less than £1 million). Payments made under section 7 for 2003/2004 totalled £66,690.

Rover Task Force

23. Elements of the support package to address the potential loss of the Rover car plant in Birmingham were provided under sections 7, 8 and 11. (See Assistance Under Section 11 for detail.)

Assistance Under Section 8

Section 8 Financial Limit

24. Section 8(5) of the Industrial Development Act 1982 initially limited to £1,900 million the sums paid, and liabilities under any guarantees given, by the Secretary of State under section 8, and provided that the limit may be increased on not more than four occasions by tranches of up to £200 million each. Authority to increase the statutory limit for the fourth and final time from £2,500 million to £2,700 million was obtained on 10 March 2003¹ through an Affirmative Resolution of the House of Commons. The Financial Assistance For Industry (Increase of Limit) Order 2003 came into effect on 25 March 2003². (The limit was first increased to £2,100 million by S.I. 1996/569, to £2,300 million by S.I. 2000/995, and to £2,500 million by S.I. 2002/151.)

25. As a limit of £2,700 million was the maximum possible under the 1982 Act, a bill to amend the limits in section 8(5) was introduced into Parliament during the reporting year 2002/2003 and the Industrial Development (Financial Assistance) Act 2003 received Royal Assent in May 2003. This Act amended section 8(5) of the 1982 Act by increasing the initial ceiling on financial assistance from £1,900 million to £3,700 million, and the subsequent four tranches from up to £200 million each to up to £600 million each.

Section 8 Schemes

26. Assistance to regional industrial development continued to be given under a number of measures during the year.

Enterprise Grant Scheme

27. The Enterprise Grant Scheme (EGS) in England began on 1 January 2000. It was a simplified discretionary scheme for Small and Medium Enterprises (“SMEs”) in the Assisted Areas (“Tier 1” and “Tier 2”) and in specified non-Assisted Areas (“Tier 3”). Those three tiers were referred to collectively as Enterprise Grant Areas.

¹ Hansard (2002/03) No 401, c130-131.

² SI No 2003/849.

28. The scheme replaced small-scale RSA grant in England up to a maximum of £75,000 on projects with capital investment up to a maximum of £500,000 (in special cases it was possible to exceed this limit). Small firms could receive up to 15% gross grant on capital investment; medium sized firms could receive up to 7.5% gross grant in Tier 3 areas and up to 15% in Tiers 1 and 2. Enterprise Grants were intended to complement the availability of commercial funds under the Enterprise Fund (see paragraph 41), which provided risk capital to SMEs with growth potential.

29. Enterprise Grants had the following objectives:

- (a) to develop and increase the SME base of Tiers 1, 2 and 3;
- (b) to improve the productivity and profitability of assisted firms; and
- (c) to improve the general skills level of the regional economy.

30. At the beginning of the financial year 2002/2003 the scheme was transferred from the Government Office in each English region to the Small Business Service (SBS) regional teams co-located with Regional Development Agencies (RDAs) in England. The annual budget was allocated centrally by DTI. SBS regional teams and the RDAs were responsible for providing additional scheme criteria that reflected local needs and priorities.

31. All Enterprise Grants were assessed against the following criteria:

- (a) **Quality** – In general high growth businesses seeking to maximise value added projects with quality output were given preference. It was not essential for a project to create jobs in order to qualify for the grant. Specific quality targeting was subject to regional variation. Factors that may have been taken into account were:
 - supply chain improvements;
 - R&D;
 - training;
 - salary levels;
 - innovation;
 - environmental sustainability; and
 - national and regional benefit (projects were considered against agreed local criteria and priorities).
- (b) **Proof of Need** – the applicant must have demonstrated that the assistance was necessary for the project to go ahead on the basis proposed;
- (c) **Viability** – Businesses should have been viable and projects should have had good prospects of becoming self-sustaining;
- (d) **Job displacement** – Projects which were likely to create over-capacity and displace jobs elsewhere may not have qualified for a grant eg: retail, hotel and other service sector projects which served only local need; and
- (e) **Public sector contribution** – The greater part of the cost of a project should have been met by the applicant or from other sources outside the public sector.

32. Some sectors were the subject of restrictions imposed by the European Commission, eg: synthetic fibres, vehicles, food production, agriculture, fisheries, shipbuilding, coal, transport, iron and steel.

33. Grant was given to support investment in fixed capital up to £500,000 (this could be exceeded in special cases but maximum grant remains £75,000) relating to:

- equipment, plant and machinery;
- some associated one-off costs such as the acquisition of patents; and
- associated land, site preparation and buildings.

34. Grant was normally calculated as a proportion of eligible investment. However, where this expenditure was insufficient, grant may have been assessed against new jobs created. Replacement capital investment was excluded and working capital also did not qualify for support. Grants are usually paid in instalments related to the progress of the project and may be repayable if objectives are not met.

35. The total amount accepted in England during 2003/2004 was £16.8 million (compared to £15.4 million in 2002/2003).

36. The Enterprise Grant Scheme closed for new applications on 31 March 2004.

Further details are available at **Appendix 3**.

Assembly Investment Grant Scheme

37. The Assembly Investment Grant (AIG) was launched in Wales on 1 April 2002. This streamlined scheme operates along similar lines to RSA, although there are some major differences. Operating under Section 7 of the Act in the Assisted Areas and Section 8 in the non-assisted areas, it is available only to SMEs and addresses the needs of smaller businesses throughout Wales by providing easier and less costly access to grant assistance, with simpler procedures and faster turnaround times for applications and claims. Like RSA, capital investment is a prerequisite, but unlike RSA, an AIG project does not necessarily need to create new jobs – the objective being to encourage indigenous businesses to set up or become more competitive by carrying out eligible investment projects. Grants of between £5,000 and £50,000 are available. Table 3 provides details for 2003/2004.

Further details are at **Appendix 4**

Table 3

	2003/2004
Number of applications received	739
Value of applications £'000	£26,250
Number of offers accepted	496
Value of offers accepted £'000	£15,359
Associated project costs £'000	£43,563
Payments	£12,024

Regional Innovation Grants

38. In England, the Regional Innovation Grant Scheme was merged with the former SMART, SPUR, and SPUR plus schemes on 1 April 1997 to form a new single Smart scheme. No payments have been made in 2003/2004 and none are expected in the future as the scheme has closed.

39. In Scotland, Scottish Enterprise and Highlands and Islands Enterprise now provide support similar to the type previously given under the Regional Innovation Grant Scheme to small companies throughout Scotland. (In Lowland Scotland, this support is delivered through the network of local enterprise companies).

40. In Wales, the Regional Innovation Grant Scheme was brigaded in January 1997 with SMART, SPUR and SPUR Plus. It was extended to the whole of Wales from 28 August 1997. From 1 April 2002, the scheme was operated by the Welsh Development Agency on behalf of the National Assembly for Wales. In September

2003 the Regional Innovation Grant scheme ceased to be available as a discrete following the launch of a single enhanced technology and innovation grant scheme for Wales – SMARTCymru.

Enterprise Fund

41. The Enterprise Fund was established following the publication of the Competitiveness White Paper (CM 4176) in December 1998, to ensure that entrepreneurs have access to appropriate forms of finance. The £180 million fund was created to provide both debt and equity finance to UK SMEs with growth potential. All elements of the Enterprise Fund are administered through the Small Business Service Investment Directorate. The budget provides flexible support for innovative proposals from the finance industry that meet particular SME financing needs. The main elements of assistance are:

Small Firms Loan Guarantee Scheme

42. The Scheme offers guarantees on loans to small firms with viable business proposals, which are unable to obtain conventional finance because they lack security to offer against a loan. By providing a guarantee against default, the scheme encourages lenders to lend where they would not otherwise do so.

43. During the year, participating banks and other financial institutions provided loans over periods of between 2 and 10 years. Lenders take all the responsibility for commercial decisions affecting borrowers. The SFLG is open to eligible businesses, including start-ups. New businesses or businesses that have traded for less than 2 years may borrow up to £100,000; those that have traded for more than two years can borrow up to £250,000. The guarantee level for all applications is 75%. In return for the guarantee, the borrower paid a 2% premium to the DTI.

44. Loans of up to £30,000 from some of the approved lenders are subject to simplified administrative procedures, which enable the lender to approve applications without first referring them to the DTI, thus speeding up the lending decision.

45. From 1 April 2003 the scope for SFLG was widened to include previously excluded business activities. The changes were as a result of the overall transformation of DTI support services¹ and also took account of a number of reviews including an evaluation of the scheme in 1999.

46. Since the start of the Scheme in June 1981, 89,870 loans valued at around £3.7 billion have been guaranteed. The following tables give a breakdown of guarantees issued since 1981 and in the financial year 2003/2004.

Table 4

Guarantees Issued from Inception in June 1981 to 31 March 2003 by Country/Region		
Country/Region	Number	Value (£'000)
Scotland	6,789	341,294
Wales	4,241	148,446
East Midlands and East	10,918	440,032
London and South East	25,187	1,016,513
North East	3,496	116,888
North West	8,319	308,950
South West	10,419	368,321
West Midlands	7,350	267,212
Yorkshire and the Humber	6,381	235,374
Northern Ireland	804	46,943
Total	83,904	3,289,974

¹ Please see 'Review of Business Support' on page 1

Table 5

Guarantees Issued from 1 April 2003 to 31 March 2004 by Country/Region		
Country/Region	Number	Value (£'000)
Scotland	789	48,761
Wales	345	21,298
East Midlands and East	942	63,332
London and South East	1441	108,908
North East	179	12,060
North West	628	45,594
South West	642	41,449
West Midlands	498	30,291
Yorkshire and the Humber	447	33,865
Northern Ireland	46	3,703
Total	5,957	409,261

UK High Technology Fund

47. The UK High Technology Fund (UKHTF) was established to encourage institutions to invest in early-stage, high technology venture capital and to increase the amount of finance available for investment in early stage technology based businesses. The 1998 Competitiveness White Paper announced the creation of the £180m Enterprise Fund to stimulate more finance for small businesses and address market weakness in the provision of that finance.

48. The fund was also set up to address the lack of investment available to early-stage, technology-focussed businesses, critical for their growth. £106.1m has been raised from private sector investors alongside £20m of Government cornerstone investment. This surpassed the original target of a total fund of £125m. As at 31 December 2003, over £124 million has been committed to 9 specialist venture capital funds. These venture capital funds have in turn made investments in 158 companies.

Regional Venture Capital Funds

49. The Regional Venture Capital Funds (RVCFs) have been set up to address the “equity gap” encountered by SMEs seeking small scale (£500k and below) investment.

50. The RVCFs are managed by experienced venture capital professionals, on fully commercial terms. European Commission clearance on State Aid was also sought and granted due to the nature of the funds and the Government's commitment to jointly finance the funds along with private investors.

51. As well as helping to supply small investment equity to SMEs, the RVCFs will also stimulate other venture capital companies to start investing smaller amounts. Nine funds are currently operational, one in each English region.

52. Funds can invest up to a maximum of £500,000 in equity or debt into any qualifying business, be it a start up, early growth stage or a company which needs development capital for an acquisition or growth. The criteria for the fund is based on the size, ownership and sector.

53. The funds became operational during 2002/2003, and are governed by 10 year Limited Liability Partnership agreements which, in some cases, will provide for extensions up to 2 years. All funds will be closed by 2015.

54. To date all of the 9 regional funds are operational. Contracts have been signed to the value of £74.375 million. As at 31 March 2004 £30,737.00 has been drawn down from DTI since the funds first launched back in January 2002.

Early Growth Funding

55. This programme has been developed to encourage risk funding for start-ups and growth firms. The objective, to increase the availability of small amounts of risk capital of, on average £50,000 for innovative and knowledge intensive businesses, as well as for other growth businesses.

56. The Government consulted extensively with the business community to ensure that there was a demand for this funding and the proposals that came forward would meet that need. After a competitive bidding process. Seven were selected to go forward. The first of the Early Growth Funds became operational in October 2002. All were operational by March 2004.

Business Incubation Fund

57. Due to European Commission State Aid considerations, the Business Incubation Fund was closed in November 2003. Prior to this, no financial commitments were made from the Fund.

Phoenix Fund

58. The Phoenix Fund was established to encourage entrepreneurship in disadvantaged areas and within disadvantaged groups. Such disadvantaged communities often experience a shortage of jobs and relevant services. By encouraging entrepreneurship, the fund helps to overcome these shortages and promotes social inclusion. The Phoenix Fund currently comprises:

- the Business Volunteer Mentoring (see Assistance Under Section 11);
- the Phoenix Development Fund (see Assistance Under Section 11);
- support for Community Development Finance Institutions (Challenge Fund and Loan Guarantees); and
- the Community Development Venture Fund.

59. Support for Community Development Finance Institutions and the Community Development Venture Fund have section 8 as their statutory basis.

Support for Community Development Finance Institutions (CDFIs)

60. The aim of this programme is to support CDFIs in their role as intermediaries that serve to improve the availability of business finance to start-up SMEs operating within disadvantaged communities, especially those unable to offer the track record or security generally required by commercial lenders. The Loan Guarantee element is available throughout the UK but Capital and Revenue Grants are only available in England as the Devolved Administrations have received separate allocations for equivalent activity. Further funding in support of generic activity was also provided to the CDFI sector as a whole – such as the funding of a CDFI trade association (the Community Development Finance Association, CDFA), and the design and delivery of training and development materials, is also supported.

61. Funding for CDFIs has been made available on the basis of competitive bidding rounds. The first round during 2000/2001 saw 16 organisations offered almost £6 million of support, with draw down commencing during 2001/2002. A second round during 2001/2002 identified a further 32 successful projects, which were awarded almost £14 million of support, with draw down for the year commencing during 2002/2003. Across the programme a total of £5.1 million was drawn down in 2002/2003, with cumulative draw down at 31 March 2004 standing at £6.2 million. The Fund was extended during 2003/2004 to cover a third round and, including rounds one and two, a cumulative total of 63 CDFIs have now been awarded support. During 2003/2004 £23.5 million was awarded to 48 round three projects, including some previously supported CDFIs seeking “to build on the best” and two wholesale funds.

62. Across the programme £6.3 million was drawn down in 2003/2004, with the cumulative draw down at 31 March 2004 standing at £12.5 million.

Community Development Venture Fund (CDVF)

63. The £40 million Community Development Venture Fund, more commonly known as the Bridges Fund, provides venture capital to viable small and medium-sized enterprises which are capable of substantial growth and which are located in the 25% most deprived wards in England. CDVF was created in response to the Social Investment Taskforce's recommendation to create Community Development Venture Funds in the UK.

64. The aim is to demonstrate that financial returns can be made by backing entrepreneurs in these communities i.e. the 25% most deprived wards in England. This in turn should result in the attraction of increased private sector finance into under-invested communities. Bridges Community Ventures was launched on May 10 2002 and reached a final closing of its Funds on 25 September 2002. The Funds have a ten year life through to May 2012 with two year extensions possible with the agreement of the investors. As at 31 March 2004 over £5 million has been invested in 9 SMEs.

Rover Task Force

65. Elements of the support package to address the potential loss of the Rover car plant in Birmingham were provided under sections 7, 8 and 11. (See Assistance Under Section 11 for detail.)

Shipbuilding Intervention Fund

66. Aid to shipbuilding within the European Union (EU) is regulated by the EU Shipbuilding Regulation. Under the Regulation, operating aid, paid in the UK through the Shipbuilding Intervention Fund (SIF), expired on 31 December 2000, i.e. no offers could be made for contracts between shipyards and owners signed after that date. The Regulation is permissive and Member States were allowed to provide support up to the ceiling set by the Commission. For the year 2000 this was set at 9% of new building costs for ships with a contract value of Euros 10 million or more, and 4.5% for new builds costing less than that amount and for conversions. The UK offered support up to those maximum permitted levels for new building contracts and up to a ceiling of 2.25% for conversions (grants were not available for ships costing less than £1 million). Payments made for 2003/2004 under Section 8 totalled £1,039,564.

UK Coal Operating Aid Scheme

67. The UK Coal Operating Aid Scheme ("the Scheme") was approved by the European Commission under the terms of the European Coal and Steel Community Treaty (ECSC) Treaty and the Coal State Aid Code in November 2000. The Scheme provided short term operating subsidies in three tranches covering the period 14 April 2002 to 23 July 2002 (later extended by a further tranche to the end of 2002). The objective of the Scheme was to help those elements of the coal industry with a viable future in the long term to overcome short term market problems arising from low prices of internationally traded coal and uncertainty due to change in the UK's electricity generation market; and to prevent a sudden and sharp decline in the size of the industry.

68. The Scheme expired in December 2002, although payments which had been approved under Tranche 4 were paid in March 2003. No payments were made in the period 1 April 2003 to 31 March 2004. A total of £164.7 million was paid to coal producers under the Scheme since 2000.

69. A further operating aid scheme will not be introduced. On 16 July 2002, the Secretary of State announced that there was to be a consultation on the case for an investment aid scheme. The new European Council Regulation on State aid to the coal industry (1407/2002), which came into force on 23 July 2002 following the expiry of the ECSC Treaty, allows for investment aid to cover up to 30 per cent of the costs of investment projects at mines.

UK Coal Investment Aid Scheme

70. The Coal Investment Aid Scheme ("the Scheme") was approved by the European Commission on 24 June 2003 as "aid for initial investment" under Article 5(2) of the European Council Regulation No. 1407/2002 on State aid to the coal industry ("the Regulation").

71. The aim of the Scheme being to create or safeguard jobs in the UK coal industry within socially and economically disadvantaged areas by encouraging coal producers to enter in to commercially realistic investment projects which maintain access to coal reserves for projects that would otherwise not go ahead.

72. Successfully approved projects would receive an allocation of up to 30% funding with the mine operators financing the balance of the costs themselves. The award money would become payable as progress was made on the selected projects, and expenditure was incurred and defrayed.

73. The scheme was launched on 16 June 2003, with a budget of up to £60 million to be allocated in three application periods and spent by 31 December 2008. Application Period 1 closed on 31 July 2003. Periods 2 and 3 have been provisionally set to close on 1 June 2004 and 1 May 2005 respectively.

74. In the period 1 April 2003 to 31 March 2004 a total of £54.7 million was offered to 13 out of the 14 applicants.

These were:

Table 6

Applicant	Mine/Production	CIA Award	Jobs Created	Jobs Secured
UK Coal plc	Daw Mill (Warwickshire)	9.6 million	–	482
UK Coal plc	Thoresby Nottinghamshire)	2.9 million	–	483
UK Coal plc	Welbeck (Nottinghamshire)	5.2 million	–	568
UK Coal plc	Kellingley (North Yorkshire)	7.2 million	–	578
UK Coal plc	Harworth (South Yorkshire)	4.6 million	–	508
Coalpower Ltd	Hatfield (See Note 1) (South Yorkshire)	15.0 million	223	227
UK Coal plc	Rossington (South Yorkshire)	3.2 million	–	424
UK Coal plc	Maltby (South Yorkshire)	2.4 million	–	505
Eckington Colliery Partnerships	Eckington (Derbyshire)	0.063 million	6	25
Flack & Sons	Hay Royds (West Yorkshire)	0.14 million	–	24
UK Coal plc	Ellington ¹ (Northumberland)	1.1 million	–	416
Energybuild Ltd	Aberpergwm (South Glamorgan)	1.1 million	100	78
Tower Colliery Ltd	Tower Colliery (Mid Glamorgan)	2.2 million	–	420
Totals		54.7 million	329	4,738

75. Acceptances were received for 11 out of the 13 successful applicants, with a total of £38.6 million being made available to mines in Nottinghamshire, Yorkshire, Warwickshire & South Wales. This is expected to safeguard over 4,000 jobs and create at least 100 new employment opportunities, at an average cost per job of £9,200.

76. As at 31 March 2004, more than £400,000 had been paid to three of the smaller beneficiaries for their first claims for aid.

¹ No offer acceptance received as at 14 April 2004.

These were:

Table 7

Applicant	Mine/Production Unit	CIA Payment (£)
Eckington Colliery Partnerships	Eckington Colliery (Derbyshire)	29,450
Energybuild Ltd	Aberpergwm Colliery (South Glamorgan)	342,562
J Flack & Sons	Hay Royds Colliery (West Yorkshire)	32,381
Total		404,393

Payments To Redundant Steelworkers (ISERBS)

77. The scheme was announced in May 2001 as part of a package of measures to alleviate the impact of large scale redundancies in the steel industry. Section 8 is the legal basis for ISERBS as it provides for assistance to encourage arrangements for ensuring that any contraction of an industry proceeds in an orderly way.

78. ISERBS (Iron and Steel Employees Re-adaptation Benefit Scheme) provides a single lump sum payment of £2,480 to help redundant steel workers overcome the initial impact of redundancy. The scheme is derived from the European Coal and Steel Community (ECSC) Treaty which, at article 56, specifically provided for social aid to workers affected by restructuring in the steel industry. The European Commission provides 50% of the payment to workers whose jobs were connected with the production of steel products covered by the Treaty. This contribution is drawn from funds accumulated from a levy on the companies which produce these products. Payments made to workers whose jobs were connected with the production of primary steel products not covered by the Treaty do not attract a Commission contribution.

79. Eligibility criteria for the payment are derived a 1989 bilateral convention with the European Commission. Under this convention measures could be put into place from 1 January of the year preceding that in which the application for Commission funding under article 56 is made.

80. When the scheme was introduced it covered workers made redundant in the period 1 January 2000 to 23 July 2002 (when the ECSC treaty terminated), but also included all workers affected by the Corus restructuring announcement of 1 February 2001, whenever they left. The scheme was amended in July 2002 to include workers made redundant as a result of restructuring announced before 23 July 2002 provided they were made redundant by 31 December 2002 (later extended to 30 April 2003). This action was taken in order to include steel workers affected by a major restructuring announcement made just before the scheme was due to terminate in July 2002.

81. In 2003/04 payments were made to 488 individuals at a cost of £1.21 million. Over the life of the scheme (1 January 2000 to 22 April 2004) payments have been made to 13,050 individuals at a cost of £32.34 million. It is anticipated that the scheme will close in April 2005 by which time all workers eligible under the scheme rules should have left the industry.

Longannet Redundancy Scheme

82. Scottish Coal (Deep Mine) Ltd (SCDM), operators of the Longannet mine in West Fife went into liquidation on 29 March 2002 following severe flooding. In the absence of any credible rescue package some 500 jobs were lost.

83. In July 2002 the DTI announced that it would make one off lump sum payments of £5,000 to a number of the former miners (although staff in administration and management grades could also be eligible) who met certain criteria. These were individuals who had been made redundant by SCDM on either 17 November 2001 or 29 March 2002 and whose employment contracts had been transferred under TUPE regulations from the British Coal Corporation (BCC) to SCDM on 29 December 1994 i.e. upon privatisation of the industry.

84. DTI appointed agents, AON Assured Solutions in Sheffield, to administer the Scheme and make payments. By the end of March 2003, payments had been made to 372 men totalling £1.84m (plus approximately £23,000 in fees payable to AON). There were four others who were working at the mine on

a “Care & Maintenance” basis (paid for by the Liquidators) but became eligible for the £5,000 payment when their employment ceased in March 2003.

85. The Scheme closed at the end of the financial year for 2002/2003. All the men eligible had been paid with the exception of one individual who, despite the best endeavours of the liquidators cannot be traced.

UK Coal Redundancy Payments at the Selby Complex

86. On 16 July 2002, UK Coal Plc (formerly RJB Mining) announced that production at the Selby coalmine complex in North Yorkshire was to be phased out, with complete closure due by the spring of 2004. The complex consists of three separate mines – Riccall, Stillingfleet and Wistow – together with a coal preparation plant at Gascoigne Wood. UK Coal took the decision to close the mines because of deteriorating geological conditions and continuing financial losses, and concluded that there was no prospect of them becoming viable. The Selby Complex is now due to close in June 2004.

87. The total redundancy costs to UK Coal are estimated to be £42 million. On 16 July 2002, the Secretary of State for Trade and Industry announced the Government’s intention to pay £10 million to support the company to allow it to extend pre-privatisation redundancy terms until March 2005. Formal application for approval to pay this amount was made to the European Commission on 6 January 2003 and was approved on 27 May 2003.

88. The principle of Government support for redundancy payments in the coal and steel sectors lies in the European Coal and Steel Community (ECSC) Treaty, which expired on 23 July 2002. The Government has already made use of the provisions of the ECSC Treaty in similar circumstances to make special payments to steel workers following the announcement of a programme of job cuts and closures by Corus in 2001.

89. The £10 million was paid to UK Coal in instalments. The first payment of £1.8 million was made in June 2003; the second payment of £1.3 million was made in September 2003; the third payment of £1.7 million was made in December 2003; the fourth payment of £4.1 million was made in March 2004; the final payment of £1.1 million was due in April 2004.

Urban Post Office Reinvention Programme

90. On 15 October 2002, the Government was authorised by Parliament to provide £210 million to Post Office Limited (POL) to carry out its programme to restructure the urban post office network¹

91. The requirement for funding of POL’s programme was borne from the Cabinet Office’s Performance and Innovation Unit’s report of 2000, which recommended that, if the Post Office decided that fewer offices were needed in some urban areas, the Government should provide financial assistance to the Post Office to ensure that sub-postmasters affected are adequately compensated for the loss of value of their business.

92. Up to £180 million was available to meet the costs of compensation to sub-postmasters whose offices close under the terms of the programme. A further £30 million was available on a broadly matched-funding basis, for modernising and adapting those offices which remain and which can expect to see a significant increase in business as a consequence of local closures under the programme.

93. The programme, which was administered by POL, is UK-wide but relates only to the urban network of post offices located in communities of more than 10,000 inhabitants. The precise number of closures will not be known until the programme is completed. However, about 3,000 sub-postmasters have expressed possible interest in closing under the terms of the programme. There is no set end date of the scheme and at inception it had been anticipated that the programme would run for three years. However, to help minimise uncertainty about the future shape of the network in urban areas, the pace of the programme has been stepped up and POL is now working to complete all public consultations by the end of 2004.

¹ The Hansard transcript of the 15 October 2002 debate on providing Section 8 funding for the Urban Post Office Reinvention Programme can be accessed at www.publications.parliament.uk by selecting - House of Commons publications on the internet - Daily Debates including oral and written questions – Session 2001-02. The transcript is contained within Volume 390, Column 228-256.

94. The spend profile for the programme below is based on forecasts supplied by POL and has been adjusted to show the actual spend in 2002/03 and 2003/04.

Table 8

	Actual 2002/03	Actual 2003/04	Forecast 2004/05	Forecast 2005/06	Forecast 2006/07
Compensation	£14.57m	£63.23m	£92.2m	£10m	
Investment Grant	£0.02m	£5.48m	£14.5m	£9m	£1m
Total	£14.59m	£68.71m	£106.7m	£19m	£1m

95. It was always anticipated that there would be some time lag between closure decisions and remaining sub-postmasters committing to improvements to their offices. POL is beginning to see take up of the investment grant funding increase and expects further increases as the restructuring of the network continues and sub-postmasters become more confident about their future prospects. POL is devoting additional resources to establish a separate team that is dedicated to promoting and supervising the implementation of investment required to upgrade remaining offices.

Assistance Under Section 11

Small Business Service

96. The Small Business Service (SBS) is an Agency of the DTI established in April 2000. The SBS's role is to ensure that:

- Many more people, regardless of their background, have the desire, skills and opportunity to start a successful business;
- Everyone with the ambition to grow their business is helped and supported; and
- A supportive business environment with all small businesses finding it easy to respond to government and access its services.

97. The SBS offers help to a wide range of customers, from those wishing to become self-employed or start up their own business, to existing employers with up to 250 staff. It is a centre of expertise on small business issues and provides access to the range of services directed primarily towards small businesses.

98. The SBS has responsibility for Business Link, the customer-facing brand for Government support for small firms. The national network of Business Link Operators is managed by the SBS and is crucial to achieving the SBS's mission to build an enterprise society, in which small firms of all kinds thrive and achieve their potential.

99. Working through the Business Link network, the SBS in 2002/2003 helped a record 430,000 small businesses – more than 40% more than the year before. In addition, Business Link provided help to over 170,000 people thinking of starting their own business. This increase in volumes is matched by an improvement in the quality of support provided, judging by the reactions of businesses helped – the latest Business Link client satisfaction survey, conducted by independent researchers, found that overall customer satisfaction was 88%, a 7 point increase since 2001/02.

100. All Business Link services, as well as general business advice and support, are available through Business Link Operators which can be accessed via a central telephone number – 0845 600 9006 – that puts people in touch with their local office.

101. The SBS's part in taking forward Government policy on small business was set out in *Small Business and Government – The Way Forward* (www.sbs.gov.uk/strategy), published in December 2002, a new policy framework for a government-wide approach to helping small firms. The strategy was jointly endorsed by the Prime Minister, the Chancellor of the Exchequer, and the Secretary of State for Trade and Industry.

102. It identifies seven strategic themes as key drivers for economic growth, improved productivity and a wider involvement in enterprise for all:

- Building an enterprise culture.
- Encouraging a more dynamic start-up market.
- Building the capability for small business growth.
- Improving access to finance for small businesses.
- Encouraging more enterprise in disadvantaged communities and under-represented groups.
- Improving small businesses' experience of government services.
- Developing better regulation and policy.

103. These strategies have since been brought together as the "Government Action Plan for Small Business" published on 8 January 2004. The plan marshals the whole of government behind the small business agenda for the first time and puts the UK well on the way to the UK becoming the best place in the world to start and grow a business.

Business Link Operators

104. The 45 Business Link Operators were selected following a rigorous bidding process, with strong small business representation on regional and national assessment panels. The Business Link network is supported by nine SBS Regional Teams.

105. The plans and contracts of Business Links have been developed based on an active 'Brokerage Model', aimed at focusing resources on front line customer service and making best use of the expertise of all local stakeholders.

106. **To find out more about the SBS and Business Links, visit the websites at www.businesslink.gov.uk and www.sbs.gov.uk**

Phoenix Fund

107. This relates to the Phoenix Development Fund and the Business Volunteer Mentoring Association elements of the Phoenix Fund. A general description of the Phoenix Fund can be found earlier in this Report (see Assistance Under Section 8).

Phoenix Development Fund (PDF)

108. The PDF had no open bidding round in 2003/2004, as it was not an ongoing funding stream. The 96 projects that had been funded in the previous 2 years bidding rounds continued their progress, development & success in promoting enterprise to disadvantaged communities and under represented groups. The funding for these projects ended on 31 March 2004.

109. A further 26 projects received funding under a 'Building on the Best' round which was only open to current projects to build on and expand the excellent work they had already done. This funding will run from April 2004 to March 2006.

Business Volunteer Mentoring

110. The Business Volunteer Mentors (BVM) scheme is funded by the Phoenix Fund through the Small Business Service and is a Business Link branded service, managed nationally by the National Federation of Enterprise Agencies (NFEA). The programme is delivered locally by Enterprise Agencies and other business support organisations, and provides free of charge mentoring from volunteers to assist and support pre-start, start-up and micro businesses. During 2003/2004, £0.9 million was provided for the BVM initiative.

Enterprise Fund

Investment Readiness

111. The SBS has been testing ways of helping more SMEs with growth potential to become investment ready. There is considerable evidence that businesses are missing out on investments because they do not understand the financing options available or how to make their business proposals into attractive investment propositions. Following a competitive bidding exercise in April 2002, six demonstration projects were chosen to test a range of approaches to improving investment readiness, each operating in a particular English region. An external evaluation of the projects has now been completed and the SBS will be working with RDAs and others to build on the best practice identified to ensure this kind of assistance is available to many more businesses.

112. The total cost of the six projects is £1,300,000.

Rover Task Force

113. In the light of uncertainty around the future of the Rover car manufacturing plant in Birmingham, and the significant impact any closure of the plant would have had on the West Midlands' economy, the DTI established a Task Force in March 2000 to look at how both the region's automotive supply chain could be supported, and how the region's manufacturing base could be helped to modernise and diversify.

114. The Task Force, led by Advantage West Midlands, produced two reports, an Interim and Final, during 2000. The Interim Report was designed to provide a quick response, recommending a range of support to automotive component suppliers in the region, limited to the financial year 2001/2002. The Final Report identified a strategy to support the diversification and regeneration of the region's economy and build on the support provided in the Interim Report to modernise the automotive base. In total £58.6 million has been made available for a variety of initiatives over a five year period ending March 2006, of which £20.9 million was spent in 2003/04.

115. The various initiatives in the main provide advice and consultancy support to the region's SMEs (provided under Section 11 of the Industrial Development Act 1982) but also include elements of capital grant and access to finance (provided under sections 7 and 8 of the Industrial Development Act 1982) to help implement recommendations and action plans as well as grants or loans to promote careers in industry (provided under section 12 of the Industrial Development Act 1982).

116. Expenditure for the financial year 2003/04 is broken down as follows:

Section 7	£1,636,663
Section 8	£490,000
Section 11	£18,624,524
Section 12	£184,661
<hr/>	
Total	£20,935,848

Assistance Under Section 13

Improvement of Basic Services

117. Section 13 provides grant where adequate provision has not been made for the needs of any Assisted Area in respect of a basic service. Basic service means the provision of facilities for transport (whether by road, rail, water or air), or of power, lighting, heating, water, sewerage, sewerage disposal, or any service or facility on which the development of the area in question and in particular of industrial undertakings therein, depends.

118. During the year, 6 applications were received and 13 were brought forward from 2002/2003, for grant towards improvement of basic services in the Assisted Areas. At 31 March 2004, grants totalling £1,796,000 had been approved towards 7 schemes with estimated costs of £5,689,000. Further details are at **Appendix 5**.

Assistance Under Part III Of The Industry Act 1972

The Home Shipbuilding Credit Guarantee Scheme

119. The Home Shipbuilding Credit Guarantee Scheme guarantees loans provided by commercial banks for the building, completion or alteration of ships, and mobile offshore installations. It allows banks to provide ship-owners with loans at floating rates or fixed Commercial Interest Reference Rates for individual borrowing up to a maximum repayment period of 12 years. Loans may be made in US dollars and Euros as well as pounds sterling, or a combination of these currencies. The Scheme is based on OECD understandings.

120. The Statement of Guarantees for the year to 31 March 2004 is as follows (2003 figures in brackets):

	No. of Guarantees	Amount of Principal Guaranteed (£)	
Guarantees offered in 2003/2004	2 (3)	3,780,080	(16,375,760)
Repayments in year 2003/2004	10 (33)	23,301,822	(21,484,423)
Guarantees current on 31 March 2004	29 (37)	94,429,536	(113,951,278)

121. In the year to March 2004 payments of interest equalisation from the banks totalled £1.1 million net (previous year £1.6 million from the banks). These were made to the DTI under the authority of the Industry Act 1975 (section 25).

Commentary on Scotland, Wales, and the English Regions

Scotland

Government Assistance

122. As part of an ongoing policy on RSA openness, the first detailed RSA Scotland Annual Report was published in September 2003. The Report provided details of the operation of the Scheme in Scotland including background on the role of RSA, case studies on companies which had received RSA offers and statistics on results over the year. Proactive marketing of the scheme to Scottish businesses continued over the year and the RSA website (www.rsascotland.gov.uk) proved to be an excellent marketing tool with over 30,000 visitors during the period.

123. During 2003/04, 209 applications for RSA were received and 157 offers accepted with a total value of £46.6 million. These projects were associated with planned £210 million capital investment, and were forecast to create 4,017 jobs and safeguard 3,154 jobs, at an average cost per job of £6,499. These figures compared to 253 applications in 2002/2003, with 183 offers accepted to the value of £60 million, towards capital investment of £278 million and the creation of 4,876 jobs and the safeguarding of 2,727 at an average cost per job of £7,534.

Report by the Chairman of the Scottish Industrial Development Advisory Board.

124. The Scottish Industrial Development Advisory Board (SIDAB) was set up under section 20 of the Scottish Development Agency Act 1975, to advise on applications for RSA where the level of assistance is in excess of £250,000.

125. During the year SIDAB met on 8 occasions and a total of 24 cases were considered. The Board recommended that RSA of £38.5 million be offered. These offers were associated with planned capital investment of £161 million and the forecast creation and safeguarding of 5,180 jobs. The average cost per job for these projects was £8,709.

126. David Campbell, Helen Colquhoun, David Gray and Jim McColl left the Board at the end of December 2003 and I would like to thank them all for their contributions to SIDAB's work. I would like to welcome Professor Bob Beaty OBE, Archie Bethel OBE, Afzal Khushi and Judith MacKenzie who were appointed to the Board in January 2004.

VIKRAM LALL
Chairman

Wales

Government Assistance

127. During the year, 180 applications for RSA were received and 144 offers accepted to the total value of £98.2 million. These projects were associated with £513 million capital investment, and were forecast to create 6,435 new jobs and safeguard a further 2,302 jobs, at an average cost per job of £11,235. These figures compared to 243 applications in 2002/2003, with 213 offers accepted to the value of £126.2 million and the creation of 8,933 jobs and the safeguarding of 3,087, at an average cost per job of £10,499.

128. During the year, 739 applications for Assembly Investment Grant were received and 496 offers accepted to the total value of £15.3 million, towards capital expenditure of £43.2 million. This compares to 543 applications in 2002/2003, with 328 offers accepted to the total value of £10.5 million, towards capital expenditure of £38 million.

Report by the Chair of the Welsh Industrial Development Advisory Board

129. The Welsh Industrial Development Advisory Board was set up under section 13 of the Welsh Development Agency Act 1975, to advise Assembly Ministers on applications for RSA where the level of assistance is in excess of £350,000. This threshold was raised from the previous £250,000 in April 2003.

130. The Board met on 12 occasions during the year and advised on 45 applications for grant. The Board recommended that RSA of just under £95 million be offered, to assist creation of 5,363 new jobs and safeguarding of 1,965 others at an average cost per job of £12,898.

131. The Board noted the slight downturn in the number of projects although noted that the quality and range of investment was commendable which helped to support the National Assembly's economic strategy outlined in *A Winning Wales*. These investments included major developments in the automobile, creative and leisure industries as well as the business services, electronics and aerospace sectors. The Board was particularly pleased to note the continuing success of the Assembly Investment Grant scheme which is aimed at small and medium sized enterprises (SME's). The scheme is intended to encourage entrepreneurship and to strengthen and develop the SME's which are the core of the Welsh economy.

132. During the year, Sheila Drury resigned to take up an appointment as Chair of ELWa (Education and Learning Wales) and Nigel Wheeler resigned due to work commitments. The Board wishes to record its thanks for their valuable contributions during their periods of office. Valerie Barrett was appointed to the Board in April 2003 and Sharon Linnard in October 2003.

GERALD LONG
Acting Chairman

The English Regions

Industrial Development Advisory Board and the Regional Industrial Development Boards

133. The Industrial Development Advisory Board (IDAB) is appointed under section 10 of the Industrial Development Act 1982, to advise the Secretary of State on the exercise of his/her functions under sections 7 and 8 of that Act. Until 31 March 2004 the main work of the Board was to advise on individual applications

for RSA, which was available in the Assisted Areas in England, where the grant sought was £2m or over (from 1 April 2004 its work was to advise on applications for SFIE of £2m or over).

134. There are 7 non-statutory Regional Industrial Development Boards (RIDBs), which have been set up in the English Regions to advise on applications for RSA between £250,000 and £1.99 million, except the East of England RIDB, which advises on applications between £100,000 and £1.99 million. From 1 April 2004 their work was to advise on applications for SFIE within the financial limits.

135. A full list of all Board members can be found at **Appendix 6**.

136. With effect from 1 April 2004, a new regional capital investment product was introduced to replace Regional Selective Assistance (RSA) and Enterprise Grants (EG) in England. Both of these schemes were closed to new applications on 31 March 2004 and were replaced by Selective Finance for Investment in England (SFIE).

Industrial Development Advisory Board

Report by the Chairman of the Industrial Development Advisory Board

137. During the year, 4 meetings and 1 telephone conference were held to examine and discuss 6 RSA applications of £2m and above under section 7 of the Act. As at 31 March the Board found that 4 cases met the relevant criteria for assistance and recommended to Ministers that they should be supported. In one of those 4 cases the Board was very supportive and considered that the level of assistance should be increased to secure the project. The Board did not support one case and in one case the Board asked for there to be further discussions with the applicant. The Board noted that at 31 March 2004, 2 of the projects were proceeding and the remainder were under consideration by the applicant companies. The total number of jobs expected to be created by the six projects were 902, with 2,170 safeguarded and capital investment of £1,017m.

138. The Board was updated at its meetings during the year, on progress by Departmental officials on their work to develop the new regional capital investment product, Selective Finance for Investment in England ('SFIE'), which was to replace the RSA scheme from 1 April 2004. The Board welcomed the emphasis on increasing productivity and skills, which the new product would assist in bringing to investment in the Assisted Areas.

139. The Board was also able to consider a DTI and ONE-NE commissioned study on the Teesside Petrochemicals cluster. The study considered prospects for the cluster and it was useful for the Board to get a detailed view of possible future investment.

140. I am grateful to members of the Board for their contributions and their support during the year. Roger Carr and Steve Hollis retired from the Board during the year and the Board wishes to thank them for their valuable contributions to the Board's activities. We welcomed Iain Robertson and Juliet Williams to the Board, in addition to Gordon Page and Michael Beverley's reappointments for further terms.

SIR VICTOR BLANK
Chairman

East of England

Government Assistance

141. During 2003/04, 20 applications for RSA were received and 14 accepted to date to the total value of £6,018,282. The offers that were accepted were associated with £60,020,000 capital investment and were forecast to create 999 jobs and safeguard 1,156 jobs, at an average cost per job of £2,792.

142. These figures are compared to 8 applications in 2002/03, with 6 grant offers accepted to the value of £1.19m towards capital investment of £8.98m and the creation of 324 jobs and safeguarding of 356 jobs, at an average cost per job of £3,147.

Report by the Chairman of the East of England Industrial Development Board

143. The East of England Development Board has met 10 times between 1 April 2003 and 31 March 2004. The Board has considered 22 applications for RSA during that time, of which 14 have been accepted with a further 6 being withdrawn by the applicant or rejected by the Board. The Board supported grants totaling £6.018m on capital investment of £80.679m. It was forecast that 999 jobs would be created and 1,150 safeguarded at an average cost per job of £2,800.

144. The East of England has 2 small Assisted Areas – Lowestoft and Luton & Dunstable - under the Control of 3 Local Authorities. The number of applications was up on the previous year and the applications generally remained of a high quality.

145. There is still an imbalance of applications received between the assisted area in the north of the region and those received from the south. In an effort to address this the Chair of the Board attended a business event aimed at advisors and clients from both Assisted Areas to discuss how RSA would change under the new product when DTI launch Selective Finance for Investment in England (SFIE) in April 2004. Feedback from attendees was positive in that it was useful and informative. At least 6 funding enquiries were fielded on the day. Of the 22 applications received 4 came from the Lowestoft area, with four from Great Yarmouth. The other 14 were from Luton and Dunstable.

ELAINE ODDIE
Chairman

London

Government Assistance

146. During 2003/04, 11 applications for RSA were received and 7 offers accepted to the total value of £2.607 million. These projects were associated with £24.477m capital investment, and were forecast to create 496 jobs and safeguard 415 jobs, at an average cost per job of £2,861.

147. These figures compared to 5 applications in 2002/2003, with 5 offers accepted to the value of £2.37 million, towards capital investment of £30.48m and the creation of 490 jobs and the safeguarding of 108, at an average cost per job of £3,963.

South East

Government Assistance

148. During 2003/04, 7 applications for RSA were received and 3 offers accepted to the total value of £493,000. These projects were associated with £3.517m capital investment, and were forecast to create 64 new jobs and safeguard 59 jobs, at an average cost per jobs of £4,008.

149. These figures compared to 5 applications in 2002/03, with 5 offers accepted to the value of £1.78m, towards capital investment of £12.72m and the creation of 316 new jobs and the safeguarding of 347, at an average cost per jobs of £2,687.

Report by the Chairman of the London and South East Industrial Development Board

150. During the year, the Board held 3 meetings to consider 3 cases from London and 1 from the South East, for RSA. Assistance of £2.26m was approved, promising to lever capital investment of £17.669m and safeguard/create 670 jobs at an average cost of £3,245.

151. A range of interesting cases has been brought to the Board for consideration this year and I am happy to report that the quality of the cases remains good, making a significant contribution to the economic development of the two regions.

152. I should like to thank Andrew Holmes for his valuable input to the Board before his retirement this year and also welcome Jim Hicks, Inder Jeet Singh Sodhi and Gurbrinder Gill to the Board.

JOHN MCCREADY
Chairman

North East

Government Assistance

153. During 2003/2004 110 applications for RSA were received with 65 offers accepted totalling £26.229m. These projects were associated with capital investment of £174.110m, and were forecast to create 2,191 new jobs and safeguard 3,725 jobs at an average cost per job of £4,333.

154. These figures compared to 46 offers accepted in 2002/2003 totalling £25.09m, towards capital investment of £203.7m and the creation of 1,782 new jobs and the safeguarding of 2,054 jobs, at an average cost per job of £4,691.

Report by the Chairman of the North East Industrial Development Board.

155. The number of cases handled by the North East Industrial Board was higher than in the previous year (14 cases in 8 meetings last year), with the Board holding 9 meetings and considering a total of 21 RSA cases. These projects involve grant support of £19.88 million. If all of these offers are accepted, they will be associated with capital investment of £132m, and involve the creation of 1,831 new jobs and the safeguarding of 1,846 jobs, at an average cost per job of £5,406. Twelve projects were internationally mobile.

156. RSA has continued to play an important part in the economic development of the region, targeting support at priority sectors, during a period when business investment, especially in manufacturing has been constrained by economic uncertainty.

157. Sadly, I have to report the death of a serving Board member, Mike McCullagh, during the year. Mike's commitment and valuable contribution to the Board will be missed.

158. Hugh Morgan-Williams completed his term as a Board member on 31 December 2003, whilst both Martin Kellaway and Bill Graham resigned as Board members as work commitments increasingly took them out of the Region. I am grateful to them for the contribution they made to the work of the Board.

159. During the year the Board welcomed four new members; Chris Gill was appointed from 1 May 2003, whilst Carol Ann Hunter, Haani ul Hasnain, Paul Bartlett and Rod Taylor were all appointed on 1 January 2004.

LORNA MORAN
Chairman

North West

Government Assistance

160. During the year, 77 applications for RSA were received and 74 offers accepted to the total value of £22.m. These projects were associated with £167.58m capital investment, and were forecast to create 4,550 jobs and safeguard 2,054 jobs, at an average cost per job of £3,332. These figures compared to 70 applications in 2002/2003, with 47 offers accepted to the value of £36.18m, towards capital investment of £332.70m and the creation of 2,866 jobs and the safeguarding of 2,704 at an average cost per job of £6,691.

Report by the Chairman of the North West Industrial Development Board

161. The number of cases handled by the NWIDB was slightly lower than in the previous year (19 cases in 2002/2003) with the Board meeting on 10 occasions when it considered 16 cases (including one from Yorkshire Forward), 15 of which were offered assistance. Major investments by Evans Vaccines Ltd and Pentagon Fine Chemicals Ltd were approved. RSA was an integral part of the Evans Vaccines Limited public sector funding package helping to lever in other support thereby supporting the UK activities. Ten of the offers were to applicants based in regionally strategic clusters as designated by the NWDA's Regional Economic Strategy.

162. If all 14 offers (excluding the Yorkshire Forward application) are accepted, a total of £12.34 m RSA will be awarded towards capital investment of £148.62m. This will involve the expected creation of 1,452 jobs and the safeguarding of 1,286 jobs at an average cost per job of £4,476. 50% of the projects will focus on job creation whilst the remaining projects have an element of safeguarding and creation.

163. Projects from pharmaceuticals, chemicals, engineering, textiles, paper products, construction and financial and professional services companies were considered with some ten projects from internationally mobile operations. As in previous years, the Board had considered a number of mobile, shared service projects although it was noted that there appeared to be a slowdown in the number of applications from the sector.

164. Members were engaged in the discussions with DTI officials on the proposed changes to the RSA scheme and welcomed the move towards the use of Gross Value Added (GVA) as a productivity measure. There was some disappointment in the continuing use of cost per job as a controlling measure, which affects, in particular, the high value, high quality, low employment sectors. Overall members were pleased to note that the new scheme reflects the NWDA's Regional Economic Strategy productivity approach and is extended to encompass the SME sector thereby complimenting the wider Alliance for Skills and Partnership approach of the Agency.

165. During the year, the Board welcomed new members; Ruth Port, Ray McManus and Bill Mullarkey. We would also like to record our thanks to retiring members Dave McCall, John Dixon, Ray Armstrong, John Dixon and John Cackett.

LORRAINE CLINTON
Chairman

South West

Government Assistance

166. The South West Industrial Development Board met on 9 occasions in the year. 20 applications for RSA were received and 17 offers accepted to the value of £10.25m. These projects were associated with £43.65m of capital investment and were forecast to create 1,204 new jobs and safeguard 1,063 jobs with an average cost per job of 4,521. These figures compare to 5 applications in 2002/2003, with 5 offers accepted to the value of £2.6m, towards capital investment of £10.47m and the creation and safeguarding of 602 jobs, at an average cost per job of £4,418.

167. The distribution of assistance shows that across the region, 3 of these applications were from companies in the Tier 1 assisted area and the remaining 7 were from Tier 2. In terms of the types of businesses seeking support, applicants were engaged in the production of a diverse range of products such as packaging and office products, process control systems for the water industry, closed frame panel systems for the construction industry, appliance controls comprising fire valves, temperature switches and automotive pressure switches, silicon gyro based products and inertial measurement units, fruit juices and soy based flavoured drinks, quiches and high quality sandwiches, salads and snack products. Grant support was also offered to a provider of fully hosted and managed Voice over Internet Protocol (VoIP) services.

TERENCE SLATER
Chairman

West Midlands

Government Assistance

168. During the year, 36 applications for RSA were received and 25 offers accepted to the total value of £12.0m. The projects in respect of which offers were accepted were associated with £93.9m of capital investment, and were forecast to create 1,139 jobs and safeguard 1,744 jobs, at an average cost per job of £4,165. These figures compared to 19 applications in 2002/2003, with 14 offers accepted to the value of £10.2m, towards capital investment of £78.9m and the creation of 805 jobs and the safeguarding of 1,618 jobs, at an average cost per job of £4,609.

Report by the Chairman of the West Midlands Industrial Development Board

169. During the year, 10 meetings of the West Midlands Industrial Development Board were held and 13 cases considered. These resulted in 13 offers being made to the total value of £11.6m on projects associated with capital expenditure of £80.6m, which were forecast to create 484 jobs and safeguard 1,654 jobs at an average cost per job of £5,419. The Board considered a number of high quality cases bringing new technology and highly skilled jobs to the Region. These factors explain the above average cost per job arising in the year.

170. During the year Graham Clements, Jim Evans, Jane Lodge and Graham Long all completed their terms as Board members, as did Paul Sabapathy, my predecessor as Chairman. I am grateful to them all for the valuable contribution they made to the work of the Board.

171. Linda Evans, Royston Jones, Andrew Manning-Cox and David Waller were appointed as Board Members with effect from 1 January 2004.

DAVID GROVE
Chairman

Yorkshire and the Humber

Government Assistance

172. During 2003/2004, a total of 59 (2002/2003 – 42) RSA applications were made, of which 31 (2002/2003 – 12) requested a grant of over £250,000. A total of 31 (2002/2003 – 36) grant offers were accepted during the period. The increase in the number of applications is due to the closure of the RSA Scheme on 31 March 2004, however, overall figures show a continued stagnant market mainly due to no increase in manufacturing activity. Particular pressure remains upon the region's sizeable aerospace industry and its related firms.

173. The value of offers accepted amounted to £9.9m (2002/2003 – £17.68m) with related project costs of £80.2m (2002/2003 – £179.2m). These projects were expected to lead to the creation or safeguarding of 2,216 jobs (2002/2003 – 3,414 jobs) with an average cost per job £4,462 (2002/2003 – £5,179).

174. The distribution of assistance across the region showed that 20 (2002/2003 – 18) offers were accepted in South Yorkshire, 2 (2002/2003 – 4) in East Yorkshire, 3 (2002/2003 – 1) in North East Lincolnshire, 0 (2002/2003 – 1) in North Yorkshire, 2 (2002/2003 – 0) in North Lincolnshire and 3 (2002/2003 – 2) in West Yorkshire. The prominence of South Yorkshire in requests for grant reflected the continued acute need for assistance in the area.

175. Monitoring of RSA projects (offers of over £75,000) showed a total of 65 project payments totaling £11,604,844 were made. Of these 24 were final payments. These projects created or safeguarded 2,598 jobs.

176. Monitoring of small RSA projects (offers of £75,000 or less) was transferred to the Small Business Service on 1 April 2002. A total of 20 payments totalling £391,000 were made. Of these 14 were final payments. These projects were expected to safeguard or create 336 jobs.

177. The Enterprise Grant Scheme had continued to attract high levels of demand from SMEs in 2003/2004. During 2003/2004 165 applications were received (111 in 2002/2003) with 99 offers being made with a grant value of £4.04 million and associated project costs of £28.5 million. Arising from these offers 98 (2001/2002 – 108) payments totaling £2.3 million (2002/2003 – £2 million) were made.

Inward Investment

178. The declining investment climate resulted in a relatively quiet period compared to previous years in terms of inward investment. Whilst the level of enquiries had increased gradually from last year there was little change in the proportion of companies progressing to actual investments. RSA awards contributed to the success of a number of valuable projects however, including Koyo Bearings Ltd, enabling all the region's targets to be met regarding job creation.

179. Against a background of falling investment the region attracted 2 new inward investments, creating and safeguarding almost 160 jobs. Existing overseas investors contributed a further 1,377 jobs to this figure through new expansions or safeguarding existing developments.

180. Despite further improved working relations with all Yorkshire Forward's local partners to attract new investment to the region, the lack of large quality projects looking to locate in Europe and the investment climate in general hindered the year from being an outstanding success.

East Midlands

Government Assistance

181. During 2003/2004, a total of 23 applications for RSA were received and 20 offers made to a value of £5,661m. These projects were associated with £54m of capital investment, and were forecast to create 584 jobs and safeguard 931 jobs, at an average cost per job of £3,736. 15 of these 20 offers have already been accepted. These figures compared to 21 applications in 2002/2003, with 11 offers accepted to the value of £7.3m, towards capital investment of £54.7m and the creation of 1,665 and the safeguarding of 414 jobs, at an average cost per job of £3,511. Figures for 2002/2003 included an Industrial Development Unit (IDU) case.

182. Included in the 2003/2004 figures were grants to a value of £2.935m agreed by the Yorkshire and the Humber and the East Midlands Industrial Development Board. 2 of these 5 grants were offered to two internationally mobile projects, a German-based manufacturer of industrial switchgear and a UK manufacturer of healthcare products, creating 9 jobs and safeguarding 239 jobs. In total, grants were offered to 7 internationally mobile projects.

183. Prior to the introduction of the Selective Finance for Investment in England (SFIE) scheme on 1 April 2004, *emda* continued to place a greater emphasis on the quality aspects of applications and priorities of the Regional Economic Strategy, with productivity indicators and skills attainment being introduced whenever appropriate.

184. During the year, *emda* also processed a total of 25 RSA claims. Final spend for 2003/2004 was £3.076m, which represented 102% of the DTI's original regional allocation of £3m. *emda* exceeded its own jobs forecast of creating and safeguarding 680 jobs, by achieving 896.5 jobs. As at 31 March 2004, RSA commitments stood at £2.869m and 32 applicants.

Report by the Chairman of the Yorkshire and the Humber and the East Midlands Industrial Development Board.

185. The Board was of the opinion that RSA had played a significant role in securing additional capital investment in the region, despite continuing difficult business climate for the region's key manufacturing markets, and in creating and safeguarding jobs in the region this year. During the year the Board met on 11 occasions and considered a total of 18 RSA applications. A total of 17 offers were approved in support of projects expected to result in £68.5m capital expenditure and the creation/safeguarding of 1,936 jobs. The average cost per job was £5,871 on cases considered by the Board.

186. This year, the Board saw a number of members both leave and arrive. Hector Birdwisa, Peter Cliff and Gail Mettyear retired and sadly Professor James Lynch died suddenly in October. We thank these ex-members for their contributions to the Board. Following on from this 2 new members were appointed in June 2003 and 4 new members were appointed in January 2004. These were Nigel Pritchard, Sandy Gillan, Edward Stanners, Andrew Bradley, Chrissie Dunn and Gary Lumby. We welcomed these appointments.

NEIL ADNITT
Chairman

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APPENDIX 1

Sections 11 and 15 of the Industrial Development Act 1982

Section 11

1 The Secretary of State may make provision for the giving of advice (whether free of charge or otherwise) to persons carrying on or proposing to carry on a business.

2 Not later than six months after the end of any financial year in which this power is used, the Secretary of State shall prepare and lay before Parliament a report on the exercise during the year of his powers under this section.

3 In the application of this section to a financial year beginning before the commencement of this Act, the reference in sub-section (2) above to the Secretary of State's powers under this section shall include a reference to his powers under section 18 of the Industry Act 1980.

Section 15

1 For each financial year the Secretary of State shall prepare a report on the discharge of his functions:

- (a) under Parts I to III and sections 13 and 14 of this Act;
- (b) under section 67 (1) of the Town and Country Planning Act 1971 and section 65 (1) of the Town and Country Planning (Scotland) Act 1972 (Industrial Development Certificates);
- (c) under Part III of the Industry Act 1972 (including any functions in respect of guarantees given by him under section 7 of the Shipbuilding Industry Act 1967);

and shall lay the report before Parliament not later than six months after the end of the financial year to which it relates.

2 The Secretary of State may discharge his duty under this section in any year by making a report on his functions under Part I, Part II, Part III or sections 13 and 14 of this Act or under the other enactments mentioned in sub-section (1) above and one or more separate reports on the remaining functions.

3 A report under this section relating to Part III of this Act or Part III of the Industry Act 1972 shall contain a statement showing the total amount of the liabilities of the Secretary of State (exclusive of any liability in respect of interest on a principal sum) under guarantees given by him/her under Part III of this Act or Part II of that Act or, as the case may be, under Part III of that Act and in the latter case shall include liabilities under guarantees given under section 7 of the Shipbuilding Industry Act 1967.

4 In the application of this section in relation to a financial year beginning before the commencement of this Act any reference in sub-section (1) above to a provision of this Act shall include a reference to the enactment re-enacted in that provision.

APPENDIX 2

Statistics relating to the Regional Selective Assistance Scheme

TABLE 1 RSA SCHEME – PROJECT GRANTS BY ASSISTED AREAS
APPLICATIONS RECEIVED 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE APPLICATIONS RECEIVED 1 APRIL 1994 TO 31 MARCH 2004

Country/Region	<i>Applications Received 1.4.03 to 31.3.04</i>								<i>Cumulative Applications Received 1.4.94 to 31.3.04</i>							
	<i>Tier 1(1) Areas</i>		<i>Tier 2(1) Areas</i>		<i>All Assisted Areas</i>		<i>Development Areas(2)</i>		<i>Intermediate Areas(2)</i>		<i>Tier 1(1) Areas</i>		<i>Tier 2(1) Areas</i>		<i>All Assisted Areas</i>	
	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)	No.	Value (£'000)
Great Britain	229	148,062	522	268,981	751	417,043	4,558	1,658,795	5,031	1,023,538	978	655,064	1,018	916,406	11,585	4,253,803
Scotland ⁽³⁾	-	-	209	70,876	209	70,876	1,697	1,164,159	-	-	-	-	917	389,172	2,614	1,553,331
Wales	143	90,919	37	40,565	180	131,484	347	226,062	729	349,142	723	468,887	191	148,628	1,990	1,192,719
England	86	57,143	276	157,540	362	214,683	4,211	1,432,733	4,302	674,396	255	186,177	827	767,778	9,595	3,061,084
East	-	-	20	11,680	20	11,680	-	-	218	17,187	-	-	50	26,600	268	43,787
East Midlands	-	-	23	9,609	23	9,609	161	24,619	513	56,458	-	-	87	65,363	761	146,440
London	-	-	11	4,233	11	4,233	-	-	298	37,543	-	-	37	13,712	335	51,255
North East	-	-	110	71,274	110	71,274	1,675	469,050	101	48,193	-	-	255	201,018	2,031	718,261
North West ⁽⁴⁾	31	10,397	46	19,768	77	30,165	1,046	344,819	1,020	148,480	113	75,236	179	213,456	2,358	781,991
South East	-	-	7	2,948	7	2,948	158	24,710	321	46,952	-	-	22	10,983	501	82,645
South West	12	4,581	7	3,684	19	8,265	103	29,795	236	63,538	27	17,380	23	18,348	389	129,061
West Midlands	-	-	36	30,397	36	30,397	638	425,431	853	156,928	-	-	102	144,046	1,593	726,405
Yorkshire and Humberside	43	42,165	16	3,947	59	46,112	430	114,309	742	99,117	115	93,561	72	74,252	1,359	381,239

(1) Tier 1 and 2 Areas effective from 1 January 2000.

(2) Until 31 December 1999, the Assisted Areas were known as Development areas (DA) and Intermediate Areas (IA).

(3) Scottish figures incorporate data for the Invest For Growth Scheme.

Scottish figures no longer available split by DAs and IAs due to changes in data collection.

(4) North West figures include data for Merseyside.

TABLE 2 RSA SCHEME – PROJECT GRANTS BY ASSISTED AREA
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1994⁽¹⁾ TO 31 MARCH 2004

Country/Region	Offers Accepted 1.4.03 to 31.3.04						Cumulative Offers Accepted 1.4.94 to 31.3.04					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment ⁽²⁾		Payments 1.4.03 to 31.3.04 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment ⁽²⁾		Payments 1.4.94 to 31.3.04 ⁽³⁾ (£'000)
				New	Safeguarded					New	Safeguarded	
Great Britain:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁵⁾	-	-	-	-	-	140	4,819	1,372,216	12,806,508	153,807	62,316	956,775
Intermediate Area ⁽⁵⁾	-	-	-	-	-	62	3,840	575,611	7,780,525	101,551	52,565	410,010
Tier 1 ⁽⁶⁾	177	83,829	327,537	7,576	2,909	49,377	795	414,827	1,714,663	32,662	16,778	226,712
Tier 2 ⁽⁶⁾	382	211,113	1,584,814	15,843	16,794	99,004	1,643	864,892	6,878,493	82,350	53,415	549,369
Total	559	294,942	1,912,351	23,419	19,703	148,583	11,097	3,227,546	29,180,189	370,370	185,074	2,142,866
Scotland: ^{(4) (4a)}												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁵⁾	-	-	-	-	-	-	1,291	665,100	6,416,590	64,441	22,369	371,053
Intermediate Area ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 1 ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁶⁾	157	46,611	209,968	4,017	3,154	41,993	752	311,170	1,508,764	29,602	17,660	208,633
Total	157	46,611	209,968	4,017	3,154	41,993	2,043	976,270	7,925,354	94,043	40,029	579,686
Wales:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁵⁾	-	-	-	-	-	140	317	147,762	674,516	12,172	6,184	194,736
Intermediate Area ⁽⁵⁾	-	-	-	-	-	62	614	255,156	3,786,148	36,967	12,050	163,807
Tier 1 ⁽⁶⁾	117	62,126	188,540	3,942	1,596	36,750	587	333,856	1,102,224	22,009	9,875	151,150
Tier 2 ⁽⁶⁾	27	36,040	324,559	2,493	706	5,077	158	99,075	1,029,844	8,992	2,442	49,785
Total	144	98,166	513,099	6,435	2,302	42,029	1,676	835,849	6,592,732	80,140	30,551	559,478
England:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁵⁾	-	-	-	-	-	-	3,211	559,354	5,715,402	77,194	33,763	390,986
Intermediate Area ⁽⁵⁾	-	-	-	-	-	-	3,226	320,455	3,994,377	64,584	40,515	246,203
Tier 1 ⁽⁶⁾	60	21,703	138,997	3,634	1,313	12,627	208	80,971	612,439	10,653	6,903	75,562
Tier 2 ⁽⁶⁾	198	128,462	1,050,287	9,333	12,934	51,934	733	454,647	4,339,885	43,756	33,313	290,951
Total	258	150,165	1,189,284	12,967	14,247	64,561	7,378	1,415,427	14,662,103	196,187	114,494	1,003,702

(1) Information prior to 1994-95 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of the offer.

(3) Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.

(4) Scottish figures incorporate data for the Invest For Growth Scheme.

(4a) Scottish figures no longer available split by DAs and IAs due to changes in data collection.

(5) Until 31 December 1999, Assisted Areas were known as Development Areas (DA) and Intermediate Areas (IA).

(6) Tier 1 and 2 Areas effective from 1 January 2000.

TABLE 3 RSA SCHEME - PROJECT GRANTS BY ASSISTED AREAS IN ENGLISH REGIONS
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1994 (1) TO 31 MARCH 2004

Country/Region	Offers Accepted 1.4.03 to 31.3.04						Cumulative Offers Accepted 1.4.94 to 31.3.04					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment ⁽²⁾		Payment 1.4.03 to 31.3.04 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment ⁽²⁾		Payments 1.4.94 to 31.3.04 ⁽³⁾ (£'000)
				New	Safeguarded					New	Safeguarded	
East:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	171	9,741	69,594	2,241	1,463	6,553
Tier 1 ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁵⁾	14	6,018	60,020	999	1,156	1,851	36	12,151	104,554	1,893	1,795	4,328
East Midlands:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	129	13,071	94,094	2,586	230	11,376
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	368	29,951	348,628	6,200	5,386	18,211
Tier 1 ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁵⁾	20	5,661	54,079	584	931	5,796	68	29,889	262,198	4,561	2,664	19,882
London:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	-	-	-	-	-	-
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	202	18,121	146,309	4,645	2,197	12,270
Tier 1 ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁵⁾	7	2,607	24,477	496	415	1,222	34	10,238	140,866	1,913	1,444	4,980
North East:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	1,346	201,595	2,922,903	33,224	8,986	164,003
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	79	5,768	65,789	1,708	831	10,407
Tier 1 ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁵⁾	65	26,229	174,110	2,191	3,725	21,163	204	162,318	1,591,623	10,773	10,792	116,044
North West:⁽⁶⁾												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	744	146,329	1,271,852	18,156	12,337	95,597
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	784	76,293	1,209,795	15,395	12,565	55,180
Tier 1 ⁽⁵⁾	30	9,089	72,127	2,331	505	4,274	98	38,019	296,288	5,757	3,743	49,569
Tier 2 ⁽⁵⁾	46	67,918	583,135	2,743	3,649	8,349	174	111,739	999,586	8,471	7,483	50,638
South East:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	119	15,894	127,404	2,198	484	7,538
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	240	20,718	333,550	5,428	2,281	12,847
Tier 1 ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁵⁾	3	493	3,517	64	59	335	39	12,704	158,682	2,296	961	9,895
South West:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	76	16,989	64,077	1,724	773	13,702
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	206	42,565	374,921	9,079	3,373	25,610
Tier 1 ⁽⁵⁾	10	6,567	18,247	452	413	2,278	24	14,067	64,027	1,088	866	6,236
Tier 2 ⁽⁵⁾	7	3,684	25,404	752	650	1,273	29	18,704	145,529	4,009	1,501	10,226
West Midlands:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	471	123,932	789,884	10,238	9,560	61,888
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	605	70,878	841,716	10,518	6,502	67,218
Tier 1 ⁽⁵⁾	-	-	-	-	-	-	-	-	-	-	-	-
Tier 2 ⁽⁵⁾	25	12,010	93,948	1,139	1,744	6,226	97	76,207	632,594	7,878	5,062	60,836
Yorkshire and Humberside:												
Special Development Area	-	-	-	-	-	-	-	-	-	-	-	-
Development Area ⁽⁴⁾	-	-	-	-	-	-	326	41,544	445,188	9,068	1,393	36,882
Intermediate Area ⁽⁴⁾	-	-	-	-	-	-	571	46,420	604,075	9,370	5,917	37,907
Tier 1 ⁽⁵⁾	20	6,047	48,623	851	395	6,075	86	28,885	252,124	3,808	2,294	19,757
Tier 2 ⁽⁵⁾	11	3,842	31,597	365	605	5,719	52	20,697	304,253	1,962	1,611	14,122

- (1) Information prior to 1994-95 can be obtained from earlier Annual Reports of the Industrial Development Act.
(2) Forecast employment figures are based on company forecasts for the project at the time of offer.
(3) Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.
(4) Until 31 December 1999, Assisted Areas were known as development Areas (DA) and Intermediate Areas (IA).
(5) Tier 1 and 2 Areas effective from 1 January 2000.
(6) North West figures include data for Merseyside.

TABLE 4 RSA SCHEME – PROJECT GRANTS – EMPLOYMENT
CUMULATIVE OFFERS ACCEPTED 1 APRIL 1994 TO 31 MARCH 2002
PAYMENTS AND EMPLOYMENT CREATED OR SAFEGUARDED 1 APRIL 1994 TO 31 MARCH 2004

Country/Region	Offers Accepted 1.4.94 to 31.3.02			Offers Accepted 1.4.94 to 31.3.02 where some payment made up to 31.3.04			Total Payments to 31.3.04 (£'000)	Employment created and safeguarded to 31.3.04
	No.	Value (£'000)	Forecast ⁽¹⁾ Employment	No.-	Value (£'000)	Forecast ⁽¹⁾ Employment		
Great Britain	9,923	2,629,636	470,718	8,373	2,200,155	390,686	1,631,842	345,025
Scotland	1,703	869,654	119,298	1,300	668,419	90,205	461,008	73,859
Wales	1,320	612,251	90,062	1,129	546,838	77,572	370,492	59,312
England	6,900	1,147,731	261,358	5,944	984,898	222,909	800,342	211,854
East	186	14,274	4,752	159	9,953	3,720	8,733	3,749
East Midlands	532	57,527	17,827	442	49,075	15,481	43,401	14,136
London	224	23,379	8,690	175	18,650	6,930	16,003	7,270
North East	1,516	318,172	56,085	1,299	291,090	49,224	229,321	43,034
North West ⁽²⁾	1,653	257,660	68,146	1,439	228,816	58,533	192,128	57,828
South East	390	46,198	13,026	333	36,507	11,279	31,462	10,680
South West	309	76,174	19,196	256	59,540	15,246	46,767	15,097
West Midlands	1,127	244,461	43,993	980	193,989	36,422	157,437	36,546
Yorkshire and Humberside	963	109,886	29,643	861	97,278	26,074	75,090	23,514

(1) Forecast employment figures are based on company forecasts for the project at the time of offer.

(2) North West figures include data for Merseyside.

TABLE 5 RSA SCHEME – PROJECT GRANTS⁽¹⁾ IN GREAT BRITAIN BY TYPE OF INDUSTRY
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1994⁽¹⁾ TO 31 MARCH 2004

Standard Industrial Classification (SIC) 1992		Cumulative Offers Accepted 1.4.93 to 31.3.03					Payments 1.4.94 to 31.3.04 ⁽³⁾ (£'000)
Class/Description		No.	Value (£'000)	Associated Project Costs (£'000)	Forecast ⁽²⁾ Employment		
					New	Safeguarded	
01-05	Agriculture, hunting, forestry and fishing	50	6,670	60,958	834	536	4,652
10-14	Mining & Quarrying	39	9,647	68,646	848	355	1,064
15-37	Manufacturing:	0	0	0	0	0	0
15-16	Food, beverages & tobacco	1,143	279,280	2,560,044	37,548	15,584	156,631
17-19	Textiles, clothing, leather & footwear	484	82,600	740,215	8,468	8,269	49,775
20-22	Wood, paper, printing & publishing	856	164,945	1,604,054	12,790	13,872	107,712
23-25	Coke, petroleum, nuclear fuels, chemicals, m.m.fibres, rubber & plastic	1,323	381,737	2,936,908	27,878	21,204	267,809
26	Non-metallic mineral products	0	0	0	0	0	0
27-28	Metals & fabricated metal products	257	49,152	986,845	6,390	3,570	105,717
29	Machinery & equipment nes	1,138	234,321	2,031,617	24,908	16,779	178,891
30-33	Electrical & optical equipment	721	193,981	1,373,787	15,288	11,538	108,257
34-35	Transport equipment	1,021	693,940	7,694,918	60,066	26,995	464,935
36-37	Other manufacturing	634	340,542	2,984,229	17,089	19,152	200,147
40-41	Electricity, gas & water supply	567	125,471	803,421	8,119	12,844	57,177
45	Construction	63	37,891	150,066	851	4,461	2,378
50-52	Wholesale & retail trade, repairs	282	40,660	249,198	4,715	919	35,778
55	Hotels & restaurants	361	51,263	549,125	6,802	5,141	50,388
60-64	Transport, storage & communication	3	570	1,857	176	52	355
65-67	Financial intermediation	388	96,212	909,481	23,989	5,912	61,863
70-74	Real estate, renting & business activities	127	80,010	436,043	25,676	145	89,101
75-99	Other Services	1,293	257,360	2,120,100	79,893	9,133	163,651
Total		347	101,294	918,677	8,042	8,613	36,585
Total		11,097	3,227,546	29,180,189	370,370	185,074	2,142,866

(1) Information on closed schemes and on Project Grants prior to 1994-95 can be obtained from earlier Annual Reports of the Industrial Development Act.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.

TABLE 6 RSA SCHEME – PROJECT GRANTS BY COUNTRY
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 2000-01 TO 2003-04

Country	Applications			Offers Accepted ⁽¹⁾					
	Financial year of application, acceptance or payment	No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast ⁽²⁾ Employment		Payments ⁽³⁾ (£'000)
							New	Safeguarded	
Great Britain:	2000-01	680	594,712	637	409,902	3,445,355	39,707	19,648	219,911
	2001-02	741	470,083	569	249,455	1,456,941	23,867	14,919	194,365
	2002-03	723	479,986	588	293,934	1,665,007	24,255	15,224	197,266
	2003-04	751	417,043	559	294,942	1,912,351	23,419	19,703	148,583
Scotland:	2000-01	211	83,804	181	107,045	524,523	9,815	5,850	70,054
	2001-02	235	145,756	160	61,098	340,841	6,316	4,028	44,205
	2002-03	253	81,831	183	60,006	278,182	4,876	2,727	36,382
	2003-04	209	70,876	157	46,611	209,968	4,017	3,154	41,993
Wales:	2000-01	200	160,055	152	97,602	761,700	8,018	3,488	37,239
	2001-02	290	154,955	235	109,417	429,977	7,715	4,013	52,160
	2002-03	243	170,934	213	126,196	452,530	8,933	3,087	69,949
	2003-04	180	131,484	144	98,166	513,099	6,435	2,302	42,029
England:	2000-01	269	350,853	304	205,255	2,159,132	21,874	10,310	112,618
	2001-02	216	169,372	174	78,940	686,123	9,836	6,878	98,000
	2002-03	227	227,221	192	107,732	934,295	10,446	9,410	90,935
	2003-04	362	214,683	258	150,165	1,189,284	12,967	14,247	64,561

⁽¹⁾ Accepted in period shown; includes projects for which the application was received in an earlier year. Revisions to offers in the year of initial acceptance.

⁽²⁾ Forecast employment figures are based on company forecasts for the project at the time of offer.

⁽³⁾ Payments made in period shown; includes payment on projects for which offer was accepted in an earlier year.

TABLE 7 RSA SCHEME - PROJECT GRANTS BY ENGLISH REGIONS
APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 2000-01 TO 2003-04

Region	Applications			Offers Accepted ⁽¹⁾					
	Financial year of application, acceptance or payment	No.	Value (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast ⁽²⁾ Employment		Payments ⁽³⁾ (£'000)
							New	Safeguarded	
East:	2000-01	11	2,968	8	1,969	13,148	290	221	840
	2001-02	11	5,510	7	2,875	21,066	255	356	709
	2002-03	8	6,442	6	1,199	8,979	324	57	928
	2003-04	20	11,680	14	6,018	60,020	999	1,156	1,851
East Midlands:	2000-01	27	30,100	24	11,626	108,025	1,970	514	5,081
	2001-02	15	13,176	13	5,303	42,633	342	805	6,069
	2002-03	21	12,248	11	7,307	54,721	1,665	414	2,882
	2003-04	23	9,609	20	5,661	54,079	584	931	5,796
London:	2000-01	9	2,062	9	1,147	29,926	182	199	1,281
	2001-02	11	5,469	12	3,961	49,010	719	682	842
	2002-03	5	1,398	5	2,373	30,489	490	108	1,624
	2003-04	11	4,233	7	2,607	24,477	496	415	1,222
North East:	2000-01	42	45,420	47	86,460	1,067,770	3,857	4,355	23,524
	2001-02	44	31,881	38	16,535	105,718	2,329	1,196	32,653
	2002-03	53	43,521	46	25,098	203,746	1,782	2,054	38,593
	2003-04	110	71,274	65	26,229	174,110	2,191	3,725	21,163
North West: ⁽⁴⁾	2000-01	79	90,421	81	19,979	157,700	3,267	2,056	30,343
	2001-02	66	63,923	49	16,092	137,450	2,608	2,175	31,440
	2002-03	70	104,183	62	36,180	332,700	2,866	2,704	25,562
	2003-04	77	30,165	76	77,007	655,262	5,074	4,154	12,623
South East:	2000-01	6	3,108	24	2,871	37,638	822	342	3,994
	2001-02	5	3,037	7	7,560	104,805	1,094	214	3,710
	2002-03	3	1,645	5	1,780	12,722	316	346	1,853
	2003-04	7	2,948	3	493	3,517	64	59	335
South West:	2000-01	13	10,140	20	11,206	72,733	2,893	594	3,996
	2001-02	11	11,082	9	5,453	60,441	628	189	5,821
	2002-03	6	6,143	7	5,860	32,731	372	521	3,095
	2003-04	19	8,265	17	10,251	43,651	1,204	1,063	3,551
West Midlands:	2000-01	31	81,547	43	41,059	372,224	4,895	1,086	35,514
	2001-02	16	15,887	15	12,892	87,483	1,039	618	10,569
	2002-03	19	33,314	14	10,246	78,938	805	1,618	8,528
	2003-04	36	30,397	25	12,010	93,948	1,139	1,744	6,226
Yorkshire & The Humber:	2000-01	51	85,087	48	28,938	299,968	3,698	943	8,045
	2001-02	37	19,407	24	8,269	77,517	822	643	6,187
	2002-03	42	18,327	36	17,689	179,269	1,826	1,588	7,870
	2003-04	59	46,112	31	9,889	80,220	1,216	1,000	11,794

(1) Accepted in period shown; includes projects for which the application was received in an earlier year. Revisions to offers in the year of initial acceptance.

(2) Forecast employment figures are based on company forecasts for the project at the time of offer.

(3) Payments made in period shown; includes payment on projects for which offer was accepted in an earlier year.

(4) North West figures include data for Merseyside.

TABLE 8 RSA SCHEME - PROJECT GRANTS BY UK AND FOREIGN OWNED COMPANIES
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 1994 TO 31 MARCH 2004

Country/Region	Offers Accepted 1.4.03 to 31.3.04						Cumulative Offers Accepted 1.4.94 to 31.3.04					
	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment ⁽¹⁾		Payments 1.4.03 to 31.3.04 (£'000)	No.	Value (£'000)	Associated Project Costs (£'000)	Forecast Employment ⁽¹⁾		Payments 1.4.94 to 31.3.04 ⁽²⁾ (£'000)
				New	Safeguarded					New	Safeguarded	
Great Britain:												
UK Owned	438	185,453	1,195,650	15,011	11,799	82,427	9,715	1,563,663	10,864,311	225,601	97,409	1,050,987
Foreign Owned	121	109,489	716,701	8,408	7,904	66,156	1,382	1,663,883	18,315,878	144,769	87,665	1,091,879
Total	559	294,942	1,912,351	23,419	19,703	148,583	11,097	3,227,546	29,180,189	370,370	185,074	2,142,866
Scotland:												
UK Owned	123	29,589	132,227	2,721	1,607	25,885	1,601	393,158	2,148,568	43,511	21,144	249,891
Foreign Owned	34	17,022	77,741	1,296	1,547	16,108	442	583,112	5,776,786	50,532	18,885	329,795
Total	157	46,611	209,968	4,017	3,154	41,993	2,043	976,270	7,925,354	94,043	40,029	579,686
Wales:												
UK Owned	115	38,927	127,875	3,126	1,031	25,338	1,373	342,863	1,673,924	42,514	12,466	265,312
Foreign Owned	29	59,239	385,224	3,309	1,271	16,691	303	492,986	4,918,808	37,626	18,085	294,166
Total	144	98,166	513,099	6,435	2,302	42,029	1,676	835,849	6,592,732	80,140	30,551	559,478
England:												
UK Owned	200	116,937	935,548	9,164	9,161	31,204	6,741	827,642	7,041,819	139,576	63,799	535,784
Foreign Owned	58	33,228	253,736	3,803	5,086	33,357	637	587,785	7,620,284	56,611	50,695	467,918
Total	258	150,165	1,189,284	12,967	14,247	64,561	7,378	1,415,427	14,662,103	196,187	114,494	1,003,702
East:												
UK Owned	11	4,786	45,625	927	792	1,624	194	18,132	74,557	3,856	2,557	10,361
Foreign Owned	3	1,232	14,395	72	364	227	13	3,760	99,591	278	701	520
East Midlands:												
UK Owned	14	3,404	39,580	374	542	2,420	527	53,500	521,743	10,963	5,651	36,083
Foreign Owned	6	2,257	14,499	210	389	3,376	38	19,411	183,177	2,384	2,629	13,386
London:												
UK Owned	5	2,352	20,782	435	86	552	225	23,821	243,796	5,949	2,336	13,154
Foreign Owned	2	255	3,695	61	329	670	11	4,538	43,379	609	1,305	4,096
North East:												
UK Owned	43	9,264	60,014	1,683	941	9,972	1,462	162,304	1,414,170	29,307	8,469	131,938
Foreign Owned	22	16,965	114,096	508	2,784	11,191	167	207,377	3,166,145	16,398	12,140	158,516
North West:⁽³⁾												
UK Owned	63	72,142	604,307	3,400	3,553	8,726	1,665	242,656	2,082,206	35,241	20,287	137,914
Foreign Owned	13	4,865	50,955	1,674	601	3,897	135	129,724	1,695,315	12,538	15,841	113,070
South East:												
UK Owned	3	493	3,517	64	59	335	380	30,580	280,947	6,993	3,146	21,010
Foreign Owned	-	-	-	-	-	-	18	18,736	338,689	2,929	580	9,270
South West:												
UK Owned	15	9,252	36,758	576	1,063	1,102	273	51,428	313,725	9,341	4,051	31,297
Foreign Owned	2	999	6,893	628	-	2,449	62	40,897	334,829	6,559	2,462	24,477
West Midlands:												
UK Owned	16	6,055	51,537	517	1,199	2,611	1,069	143,479	1,080,098	18,691	8,790	76,454
Foreign Owned	9	5,955	42,411	622	545	3,615	104	127,538	1,184,096	9,943	12,334	113,488
Yorkshire and The Humber:												
UK Owned	30	9,189	73,428	1,188	926	3,862	946	101,742	1,030,577	19,235	8,512	77,573
Foreign Owned	1	700	6,792	28	74	7,932	89	35,804	575,063	4,973	2,703	31,095

(1) Forecast employment figures are based on company forecasts for the project at the time of offer.

(2) Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.

(3) North West figures include data for Merseyside.

TABLE 9 RSA SCHEME – APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 1994 TO 31 MARCH 2004

<i>Country/Region</i>	<i>Applications Rejected and Withdrawn 1.4.03 to 31.3.04</i>			<i>Cumulative Applications Rejected and Withdrawn 1.4.94 to 31.3.04</i>				
	<i>Tier 1⁽¹⁾</i>	<i>Tier 2⁽¹⁾</i>	<i>Total</i>	<i>DA⁽²⁾</i>	<i>IA⁽²⁾</i>	<i>Tier 1⁽¹⁾</i>	<i>Tier 2⁽¹⁾</i>	<i>Total</i>
Great Britain	11	38	49	1,228	1,278	72	292	2,870
Scotland ⁽³⁾	-	20	20	231	-	-	194	425
Wales	8	4	12	42	80	50	17	189
England	3	14	17	955	1,198	22	81	2,256
East	-	3	3	-	45	-	5	50
East Midlands	-	2	2	33	111	-	14	158
London	-	-	-	-	87	-	6	93
North East	-	-	-	294	19	-	9	322
North West ⁽⁴⁾	1	6	7	250	211	12	20	493
South East	-	1	1	19	57	-	1	77
South West	-	-	-	144	290	-	4	438
West Midlands	-	1	1	140	223	-	5	368
Yorkshire and Humberside	2	1	3	75	155	10	17	257

⁽¹⁾ Tier 1 and 2 Areas effective from January 2000.

⁽²⁾ Until 31 December 1999, Assisted Areas were known as Development Areas (DA) and Intermediate Areas (IA).

⁽³⁾ Scottish figures no longer available split by DAs and IAs due to changes in data collection.

⁽⁴⁾ North West figures include data for Merseyside.

APPENDIX 3

Statistics Relating to the Enterprise Grant Scheme

TABLE 1 APPLICATIONS RECEIVED FROM 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE APPLICATIONS RECEIVED 1 APRIL 2000 TO 31 MARCH 2004

Region	Applications Received 1.4.03 to 31.3.04		Cumulative Applications Received 1.4.2000 to 31.3.2004	
	No.	Value £'000	No.	Value £'000
East	24	908	63	2,475
East Midlands	76	3,326	335	13,742
London	34	1,126	88	3,380
North East	117	4,065	499	16,620
North West	142	5,800	677	24,219
South East	42	1,782	216	7,159
South West	37	907	158	4,988
West Midlands	82	3,142	361	13,450
Yorkshire and The Humber	165	6,758	549	20,213
Total	719	34,110	2,946	112,542

TABLE 2 OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2000 TO 31 MARCH 2004

	Offers accepted and payments 1.4.03 to 31.3.04				Cumulative Offers accepted and payments 1.4.2000 to 31.3.2004			
	Associated				No.	Value £'000	Capital Costs £'000	Payments £'000
	No.	Value £'000	Capital Costs £'000	Payments £'000				
East	19	743	9,900	316	47	1,796	18,140	764
East Midlands	45	1,643	15,618	1,575	233	7,980	61,767	4,560
London	19	728	6,119	279	48	1,606	16,372	950
North East	83	2,485	14,069	2,627	416	12,531	95,309	8,652
North West	108	4,074	30,043	3,165	461	16,482	123,629	8,317
South East	28	1,063	11,129	1,211	152	4,521	33,235	2,586
South West	17	499	3,316	497	92	2,412	19,646	1,423
West Midlands	51	1,547	12,835	1,604	255	7,933	65,316	5,205
Yorks & Humber	99	4,045	28,563	2,370	349	11,512	95,272	6,931
Total	469	16,827	131,592	13,644	2,053	66,773	528,686	39,388

Table 3 APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 2000 TO 31 MARCH 2004

	Applications Rejected and Withdrawn 01.04.2003 to 31.03.2004		Cumulative Applications Rejected and Withdrawn 01.04.2000 to 31.03.2004	
	No.		No.	
East	5		9	
East Midlands	14		87	
London	15		29	
North East	17		26	
North West	73		140	
South East	27		34	
South West	18		37	
West Midlands	30		63	
Yorks & Humber	25		116	
TOTAL	224		541	

APPENDIX 4

Statistics relating to the Assembly Investment Grant Scheme

TABLE 1 ASSEMBLY INVESTMENT GRANT SCHEME⁽¹⁾ SCHEME BY REGION
OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS 1 APRIL 2002 TO 31 MARCH 2004

<i>Country/Region</i>	<i>Offers Accepted 1.4.03 to 31.3.04</i>				<i>Cumulative Offers Accepted 1.4.02 to 31.3.04</i>			
	<i>No.</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Payments 1.4.03 to 31.3.04 (£'000)</i>	<i>No.</i>	<i>Value (£'000)</i>	<i>Associated Project Costs (£'000)</i>	<i>Payments 1.4.02 to 31.3.04 (£'000)</i>
Great Britain:	496	15,359	43,563	12,024	824	25,824	75,650	16,539
Scotland:								
Wales:	496	15,359	43,563	12,024	824	25,824	75,650	16,539
England:								

(1) The Assembly Investment Grant Scheme was introduced on 1 April 2002 and is run solely by the National Assembly for Wales.

TABLE 2 ASSEMBLY INVESTMENT GRANT⁽¹⁾ SCHEME
APPLICATIONS REJECTED AND WITHDRAWN 1 APRIL 2003 TO 31 MARCH 2004
CUMULATIVE APPLICATIONS REJECTED AND WITHDRAWN
1 APRIL 2002 TO 31 MARCH 2004

<i>County/Region</i>	<i>Applications Rejected and withdrawn 1.4.03 to 31.3.04</i>	<i>Cumulative Applications Rejected and Withdrawn 1.4.02 to 31.3.04</i>
	<i>All Assisted Areas</i>	<i>All Assisted Areas</i>
Great Britain	112	161
Scotland		
Wales	112	161
England		

(1) The Assembly Investment Grant Scheme was introduced on 1 April 2002 and is run solely by the National Assembly for Wales.

APPENDIX 5

Financial Assistance under section 13 of the Industrial Development Act 1982

IMPROVEMENT OF BASIC SERVICES IN THE ASSISTED AREAS

(The figures represent the position at 31 March 2004 for those applications approved during the year. Figures for previous assistance under section 13 are available in earlier Annual Reports.)

	Service	Applications					Applications Approved		
		Brought Forward from 2002/2003	Received in 2003/2004	Rejected	Withdrawn	Under Consideration	Number	Estimated Cost (£'000)	Estimated Grant (£'000)
DTR ⁽¹⁾	Roads	9	5	2	0	1	7	5,689,000	1,796,000
DEFRA ⁽²⁾	Water and Sewerage	4	0	0	0	4	0	0	0
Scottish Executive Development Department	Roads	0	1	0	0	1	0	0	0
Environment Department	Water and Sewerage	0	0	0	0	0	0	0	0
National Assembly for Wales	Roads	0	0	0	0	0	0	0	0
	Water	0	0	0	0	0	0	0	0
	Sewerage	0	0	0	0	0	0	0	0
Total		13	6	2	0	6	7	5,689,000	1,796,000

(1) Department of Transport.

(2) Department of the Environment, Food and Rural Affairs.

APPENDIX 6

Chairmen and Members of the Industrial Development Advisory Boards and Regional Industrial Development Boards

During the year some changes were made to the membership of some of the Boards. The names below represent the position at 31 March 2004

Scottish Industrial Development Advisory Board

Chairman

Mr V Lall

Director, Heriot Services Ltd

Members

Professor B Ashcroft

Policy Director, Fraser of Allander Institute, University of Strathclyde

Professor R Beaty, OBE

Managing Director, Glencon Ltd

Mr A Bethel, OBE

Managing Director, Babcock Engineering Services

Mrs L Cadenhead

Chief Executive Officer, Ustica Ltd

Mr A Khushi

Managing Director, Jacobs & Turner Ltd

Miss J MacKenzie

Investment Manager, Aberdeen Murray Johnstone

Dr B McGuckin

Commercialisation Manager, Napier University

Dr D McKay

Managing Director, FCI Systems & Assembly Division – Europe

Mr J Quigley

Scottish Regional Secretary, AMICUS

Mrs P Stewart

Head of Specialised Lending Services (Scotland), Royal Bank of Scotland

Mr P Timms, CBE

Chairman & Managing Director, Flexible Technology Ltd

Welsh Industrial Development Advisory Board

Acting Chairman

Mr G Long

Retired International Development Director, Allevard Springs Ltd

Members

Dr J Driscoll

Management Consultant, Ex Partner, PricewaterhouseCoopers, Cardiff

Mr R Fowler

Director, Robertson Research International Ltd

Mr A Wright OBE

Deputy Managing Director, TRB Ltd

Mr D Fellows OBE

Regional Organiser, Transport and General Workers Union. Chair of ELWa South West Wales Regional Committee

Mrs V Barrett

Finance Director, Senior Flexonics Ltd

Mrs S Linnard

Retired Senior Partner with KPMG LLP

Industrial Development Advisory Board

Chairman

Sir Victor Blank

Chairman, Trinity Mirror plc and GUS plc

Members

Mr P Allen

Chief Financial Officer, Celltech Group plc

Mr M Beverley

Retired UK Regional Managing Partner, Arthur Andersen

Mrs B Blow

Chief Executive, ITNET plc

Sir David Brown

Chairman, Motorola Ltd

Miss R Hedley-Miller

Vice Chairman, Dresdner Kleinwort Wasserstein

Mr G Page CBE

Chairman, Cobham plc

Lord Paul

Chairman, Caparo Group Ltd

Mr R Swannell

Vice Chairman, Schroder Salomon Smith Barney

Mr I Robertson CBE

Chairman, Corporate Banking and Financial Markets, The Royal Bank of Scotland

Ms J Williams

Chairman, South West Regional Development Agency

East of England Industrial Development Board

Chairman

Ms E Oddie OBE

Partner, NSO Associates LLP

Members

Mr D Baggott

Managing Partner, Machins Solicitors

Mr A Davies

General Manager, SLP Engineering Ltd.

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Director, Maritech Consultants Ltd
 Mr M Gould
*Regional Officer, Manufacturing, Science and Finance
 Union Regional Centre*
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*Managing Director, Electrolux Vacuum Cleaner Product
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 Offshore Services*
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 Mr H Lawson
Managing Director, Norwich International Airport
 Mr L Russen
Chartered surveyor, Russen and Turner
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*Managing Director, Binney & Smith (Europe) Ltd
 (Crayola) (retired)*

London and South East Industrial Development Board

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Executive Advisor
 Mr Bryan Davies
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 plc*
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Retired Finance Director
 Mr J Hicks
Chairman, Amplicon Liveline Ltd
 Ms Wendy Hyde
Agent, Bank of England
 Miss M S Lai OBE
Partner, Pridie: Brewster
 Mrs H Sasson
Business Consultant
 Mr I J S Singh
Director, Neutronics Designs Ltd
 Mr R Stiles
Chairman, Stiles, Harold, Williams
 Mr G Wyles
Regional Manager, The Royal Bank of Scotland plc

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 Ms A Reece
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Partner, Eversheds

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 Glazing*

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 Mr D McLellan
Group Controller, Avecia
 Mr R McManus
*Senior Industrial Organiser, Transport and General
 Workers' Union*
 Professor B Mullarkey
Managing Director, dB Research Ltd
 Mr K K Pathak OBE
Chairman/Chief Executive Patak's Foods Ltd
 Dr R Port
*Market Development Manager, Vertex Customer
 Management*
 Mr G Verghese
*Director and Company Secretary, Morada International
 Ltd*

Ms E M Wisemark
Chairman and Managing Director, Optima Management Services Ltd
Dr M J Wood
Director, North West Engineering

South West Industrial Development Board

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Director and Chief Executive, Engineering Employer's Western Association

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Strategy Director of Operations, British Aerospace Systems plc
Miss Ruth Bagley
Chief Executive, South Hams District Council
Mr Alan Courts
Company Director, Rittal-CSM Ltd
Mr John Crownshaw
Chief Executive, Bond Pearce Solicitors
Mr Ian Douglas
Consultant, Self Employed
Mr Neville Gibson
Retired, formerly Network Director, Lloyds TSB
Mr Alan Hayman
Managing Director, J&S Marine Ltd
Mrs Denise Major
Area Manager, HSBC Truro Bank plc
Mr Richard Morgan
Director of Operations, K2 Medical Systems Ltd
Mr Rama Nand-Lal
Retired Director of Administration, Resources and Marketing, Cranfield University
Miss Vicki Pickering
Project Director, BP Swindon Plc
Mr Nigel Randall
Director, Surface Technology Systems plc
Brian Sherwin
Non-Executive Director, Wrafton Laboratories Ltd
Mrs Barbara Speirs
Chairman, West of England Institute of Directors

West Midlands Industrial Development Board

Chairman
Mr DL Grove
Group Chief Executive, Hill and Smith Holdings plc

Members
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Chairman and Director, Bond Wolfe plc
Mr MC Day

Plant Manager, Eaton Aerospace
Mrs LM Evans
Managing Director, K & S Plating Company Ltd
Dr RD Jones
Managing Director, Altair Engineering Limited
Mr D Lovatt
Chairman, Lovatt Engineering Ltd
Mr A Manning-Cox
Partner, Wragge & Co
Mr HC Marshall
Non-Executive Director, Hill and Smith Holdings plc
Mr PM Mathews CMG
Chairman and Managing Director, Black Country Metals Limited
Mr MJ Smith
Chairman and Managing Director, Lewis Spring Holdings Limited
Mr DJ Waller
Partner, PricewaterhouseCoopers
Mr M Wilson
Former Senior Vice President, Celestica Ltd

Yorkshire and the Humber and the East Midlands Industrial Development Board

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Director, Lilford Associated Ltd

Members
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Mr Z Hussain
Security and Business Continuity Manager of BT Ingnite Solutions
Mr M A Sharpe
Managing Director of Kingstown Furniture Ltd
Mrs S Thrippleton
Branch Manager HSBC
Mr T Richardson
Business Development & Marketing Consultant, Courage & Co
Mr D Garside
Director Garside Consultancy Services
Mr N Pritchard
Finance & Purchasing Director, Rexam Glass plc
Mr J A Gillan
Managing Director, JAG Tachograph
Mr Edward Smith Mogg Stanners
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