# Industrial Development Act 1982

Annual Report by

The Secretary of State for Business,
Innovation and Skills,
the First Minister of Scotland,
and the Welsh Ministers

For the year ended 31 March 2015







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For the year ended 31 March 2015

Presented to Parliament pursuant to Sections 11 and 15 of the Industrial Development Act 1982

Laid before the Scottish Parliament

Laid before the Welsh Assembly

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Any enquiries regarding this publication should be sent to us at Department for Business, Innovation and Skills 4th Floor, Victoria 3

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#### **Abbreviations**

AAP Automotive Assistance Programme
AMR RGF Annual Monitoring Report
the Act Industrial Development Act 1982

BBB British Business Bank

BBBIL British Business Bank Investments Ltd

BBFL British Business Finance Ltd
BCC British Chambers of Commerce
BIM Building Information Modelling

BIS Department for Business, Innovation and Skills

CDVF Community Development Venture Fund

CIC Construction Industry Council

CICM Chartered Institute for Credit Management

CPS Carbon Price Support Mechanism
CoFund Business Angel Co-investment Fund
CPA Construction Products Association

Defra Department for Environment, Food and Rural Affairs

DECC Department of Energy and Climate Change

DfT Department for Transport
ECF Enterprise Capital Funds
EFG Enterprise Finance Guarantee

EGF Early Growth Fund

EU ETS EU Emissions Trading System
GBI Grant for Business Investment

IDAB Industrial Development Advisory Board

LEP Local Enterprise Partnership

NSARE National Skills Academy for Railway Engineering

OBNi Overseas Business Networks Initiative

P2P Peer-to-peer

PPC Prompt Payment Code

RCT Randomised Controlled Trials RDA Regional Development Agency

RGF Regional Growth Fund

RSA Regional Selective Assistance Scheme
Service Co British Business Financial Services Ltd
SFIE Selective Finance for Investment in England

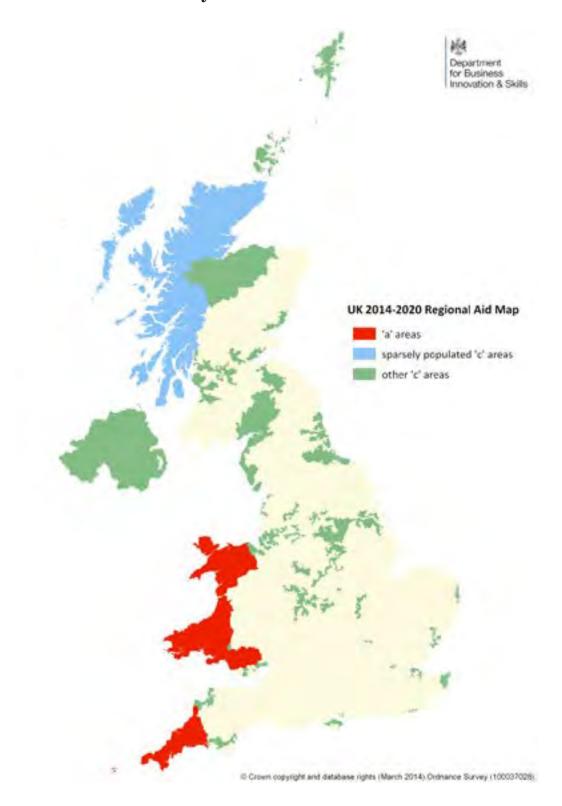
SFLG Small Firms Loan Guarantee SIF Single Investment Fund

SMEs Small and Medium Sized Enterprises

UKGIB UK Green Investment Bank
UKTI UK Trade and Investment

WIDAB Welsh Industrial Development Advisory Board

#### Assisted Areas in Great Britain and Northern Ireland, 1 July 2014 to 2020



#### Produced by BIS

- Notes:
  1. The Assisted Areas map was approved by the European Commission on 21 May 2014 and became operational in the UK on 1 July 2014.
  2. There are provisions in the Commission's Guidelines on Regional State Aid for 2014-2020, which set the parameters within which EU member states can draw their maps, that allow a limited review for the period from 1 January 2017.

### **Industrial Development Act 1982**

Joint Report by the Secretary of State for Business, Innovation and Skills, the First Minister of Scotland and the Welsh Ministers

#### Introduction

- 1. As required by sections 11 and 15 of the Industrial Development Act 1982, this Report for the year ended 31 March 2015 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 devolution legislation (the Scotland Act 1998, the Government of Wales Act 1998, S.I. 1999/672 and the Government of Wales Act 2006) some powers under the Act have been exercised from 1 July 1999 in Scotland by the First Minister of Scotland and from 25 May 2007 in Wales by the Welsh Ministers. Over the period covered by this Report these powers were exercised concurrently throughout the UK by the Secretary of State for Business, Innovation and Skills (BIS).

#### **Assistance Under Section 7**

- 3. Section 7 of the Industrial Development Act 1982 provides for financial assistance to industry to be given in the Assisted Areas of Great Britain. The purpose of providing assistance under section 7 is to encourage sound projects which will improve sustainable employment opportunities in the Assisted Areas (see the map on page vii).
- 4. A new Assisted Areas map 2014-2020 came into force on 1 July 2014 (see the Assisted Areas Order 2014 2014 No.1508) but there are provisions in the European Commission's Guidelines on Regional State Aid for 2014-2020¹, which set the parameters within which EU member states can draw their maps, that allow a limited review for the period from 1 January 2017. The present UK Assisted Areas map covers 27.05% of the population (based on 2010 population data) including the whole of Northern Ireland.
- 5. The powers to provide regional assistance under section 7 were in England exercised by the Secretary of State for Business, Innovation and Skills, in Scotland by the First Minister of Scotland and in Wales by the Welsh Ministers.

#### Section 7 Support in Scotland

- 6. Regional support in Scotland is provided mainly through the Regional Selective Assistance (RSA) scheme. This support was, until 30 September 2009, delivered under the powers in section 7. However, with effect from 1 October 2009 a new Scottish Enterprise RSA scheme was introduced which delivers regional support under section 8 of the Enterprise and New Towns (Scotland) Act 1990. Eligibility for support under this scheme uses the same criteria as the earlier comparable section 7 RSA scheme. The exercise by the First Minister of Scotland of powers under the Enterprise and New Towns (Scotland) Act does not form part of this Report.
- 7. The Scottish Government made one new section 7 offer (£1.19 million) in the year to 31 March 2015.

<sup>1 2013/</sup>C 209/01.

#### **Section 7 Support in Wales**

- 8. Regional support in Wales was provided under the Repayable Business Finance Scheme. For the period 1 April 2014 to 31 March 2015 applications greater than £1 million were considered under section 7 while other applications were considered under the powers contained in section 1 of the Welsh Development Agency Act 1975. The use of the powers in the 1975 Act does not form part of this Report.
- 9. During the year, 16 offers greater than £1 million under the Repayable Business Finance Scheme were accepted. These offers totalled £80 million and were in respect of projects having total eligible costs of £397 million and forecast to create 2,451 new jobs and safeguard a further 969 jobs, at an average cost per job of £23,636.

#### Section 7 Support in England

- 10. Assistance under section 7 was provided in England in 2014/15 via the Regional Growth Fund (RGF). RGF used section 7 as one of a range of powers for providing support for rebalancing the economy and promoting growth. The Fund is covered below (paragraphs 126-129).
- 11. In previous years, section 7 was also used by the Grant for Business Investment (GBI) scheme, the English national scheme of regional assistance. GBI was launched in October 2008 to replace the previous scheme, Selective Finance for Investment in England (SFIE) and was mainly delivered by the Regional Development Agencies (RDAs).
- 12. Following the decision to close the RDAs, the scope of the GBI scheme was limited in 2011 to large cases on an exceptional basis. Large cases were defined as those in which the amount of grant sought was £2 million or more, while only projects that demonstrated either that they mitigated or avoided significant local labour market shocks or that they addressed a significant market failure were eligible for support.
- 13. The GBI scheme was notified to the Commission in accordance with the Block Exemption Regulation (Regulation (EC) 800/2008). Following the replacement of that Regulation with effect from 1 July 2014 the scheme was not re-notified and is thus currently not in force.
- 14. Following the closure of the RDAs all activities relating to the administration of the GBI scheme using section 7 of the Act were transferred to the Department for Business, Innovation and Skills in September 2011. These relate to monitoring existing projects, assessing claims and making payments to businesses and conducting post-completion monitoring on closed cases. At the end of March 2015, there were 9 live projects being administered in this way under section 7. Over the year, assistance of £14.7 million was given to these projects. Summary details of payments made under the scheme in 2014/2015 are contained in **Appendix 4**.
- 15. In addition to large exceptional cases, the GBI scheme was, from October 2010, open to applications to a £60 million fund established by the Department of Energy and Climate Change (DECC) to support the development of offshore wind manufacturing at coastal locations in the Assisted Areas in England. At the end of March 2015, there was one live project.
- 16. Hatfield Colliery Partnership Limited signed a loan agreement with BIS on 31 December 2014 for £8 million, subject to conditions. Funds were drawn down in 7 instalments and, as at 31 March 2015, the full £8 million loan was outstanding.

#### **Assistance Under Section 8**

17. Section 8 of the Industrial Development Act 1982 provides for financial assistance to business to be given to businesses outside the Assisted Areas.

#### **Section 8 Financial Limit**

- 18. Section 8(5) of the Industrial Development Act initially limited the sums that could be paid and the liabilities that could be given under any guarantees by the Secretary of State under section 8 to £1,900 million and provided that the limit could be increased by Statutory Instrument on not more than four occasions by tranches of up to £200 million each. This limit has since been increased by two further acts, the Industrial Development (Financial Assistance) Act 2003 and the Industry and Exports (Financial Support) Act 2009. It currently stands at £12,000 million, though the Secretary of State has the power to increase it by Statutory Instrument on four occasions by up to £1,000 million each time.
- 19. As at 31 March 2015 the total accumulated expenditure under section 8 amounted to £5,776 million. This includes expenditure of £515 million incurred during 2014/2015. The liabilities given under guarantees by the Secretary of State under section 8 stood at £565 million at 31 March 2015.

#### Section 8 Schemes - General

- 20. Assistance to business development continued to be given under a number of measures under section 8 during the year.
- 21. Table 1 provides a detailed breakdown of the schemes of support that rely on section 8, including those that provide assistance in the form of a loan or a loan guarantee. Further detail on each scheme is set out below (paragraphs 30 to 129).
- 22. Table 1 sets out in the final column the total financial commitment made to each scheme. Some schemes have no ceiling; these have been starred (\*). In these cases the figure given indicates the total contractual commitment under the awards of assistance that have been made. The first and second columns list the total amounts paid in 2014/2015 and the accumulated total paid to date under each scheme. Columns three and four list the guarantees given over 2014/2015 and the total accumulated guarantees as they stood at 31 March 2015. Schemes that are closed for new applications are included in the Table where there is expenditure still being made or guarantees or liabilities outstanding against them. Schemes are divided by the type of support they provide:
  - Grant schemes: i.e. those where a payment is made which will not need to be repaid as long as certain conditions are met;
  - Schemes under which guarantees, including contingent liabilities, are provided, i.e. promises by the Secretary of State to make a payment if a certain set of conditions occur;
  - Schemes under which equity-type investments are made by the Department. Such investments remain as an asset on the Department's books with the asset being realised at the end of the scheme; and
  - Schemes which provide loans.
- 23. As the main purpose of Table 1 is to measure section 8 expenditure and liabilities against the statutory limit set out in paragraph 18 above, it does not record income such as returns arising from equity investments, apart from sums received by way of the repayment of loans or the repayment of principal sums paid to meet a guarantee.

**Table 1: Summary of Section 8 Support** 

	Scheme	Expenditure for financial year 2014/15 £k	Accumulated Expenditure up to 31/03/15 £k	Guarantees for financial year 2014/15 £k	Accumulated Guarantees for financial year 2014/15 £k	Total Commitment £k
	Selective Financial Assistance / GBI for SMEs (Closed)	154	30,780	-	-	45,838*
	Regional Selective Assistance (Scotland) – (Closed)	-	2,064	-	-	4,452*
	Regional Growth Fund	230,237	480,087	-	-	2,820,000
	Vehicle Scrappage Scheme (Closed)	-	380,252	-	-	400,000
	Support for City Deals	4,349	6,959	-	-	8,230
	Local Enterprise Partnerships Capacity Fund (Closed)	1,000	4,000	-	-	4,000
y <sub>0</sub>	GrowthAccelerator	69,084	177,860	-	-	182,025
Grants	NSARE – Traction and Rolling Stock Training Academy	1,786	2,225	-	-	3,500
	Capacity Building Pilot Project	1.7	1.7	-	-	1.7
	Prompt Payment Code	50	79	-	-	79
	Compensation for the indirect costs of the EU Emissions Trading System and the Carbon Price Support Mechanism	52,880	84,586	-	-	620,000
	Building Information Modelling	1,010	4,342	-	-	5,542
	techUK – Cyber Connect UK	54	54	-	-	108
	Key IQ Ltd – Cluster Development	20	20	-	-	39
	Business Focus on Enforcement	11	11	-	-	11
Guarantees and Contingent Liabilities	Enterprise Funds: Small Firms Loan Guarantee (Closed)	1,148	992,784	-	18,738	1,011,152
larantees al Contingent Liabilities	Enterprise Finance Guarantee Scheme	10,352	117,261	36,460	168,742	286,003
Guara Cor Lia	Automotive Assistance Programme (Closed)	-	-	-	377,999	1,586,000

	Scheme	Expenditure for financial year 2014/15 £k	Accumulated Expenditure up to 31/03/15 £k	Guarantees for financial year 2014/15 £k	Accumulated Guarantees for financial year 2014/15 £k	Total Commitment £k
nts	Enterprise Fund: Early Growth Funds (Closed)	-	30,609	-	-	31,520
Equity Investments	Phoenix Fund: Community Development Venture Funds	30	20,028	-	-	20,000
Inve	Aspire Fund**	50	4,700	-	-	12,500
ity ]	Enterprise Capital Funds**	19,008	188,067	-	-	322,728
Bqu	Capital for Enterprise Funds**	147	45,663	-	-	50,000
	VC Catalyst Fund**	1,727	3,281	-	-	30,203
	Digital Regions Ltd (Closed)	3,693	22,599	-	-	51,000
	Start Up Loan Scheme	70,247	168,750	-	-	380,000
	UK Coal	4,000	4,000	-	-	7,500
	Growth Vouchers	9,100	10,740	-	-	30,000
Other	Business Finance Partnership (small business tranche) – excluding Peer-to-Peer Investments**	6,505	41,239	-	-	57,000
Ō	Business Finance Partnership (small business tranche) – Peer-to-Peer Investments	-	20,350	-	-	30,000
	Business Bank Investment Programme – excluding Peer-to-Peer Investments**	8,833	9,251	-	-	58,000
	Business Bank Investment Programme – Peer-to-Peer Investments	19,750	23,750	-	-	50,000
Other Cle	osed Schemes	-	2,899,965	-	-	2,899,965
Totals		515,227	5,776,358	36,460	565,479	10,957,477

<sup>\*\*</sup> These programmes transferred onto the British Business Bank PLC balance sheet as of 1 November 2014, from which date they started using Banking Act powers, and so data is up to 31 October 2014 only.

#### **Section 8 Resolutions**

24. Under the terms of section 8 the Secretary of State may pay, or undertake to pay, by way of financial assistance an amount in excess of £10 million in respect of any one project when it has been authorised by a resolution of the House of Commons. However when the payment or undertaking is urgently needed and at a time when it is impractical to obtain the approval of the House of Commons, Ministers may proceed and subsequently lay a statement concerning the financial assistance before both Houses of Parliament. During 2014/15 three such resolutions were obtained. They are listed at **Appendix 8.** 

#### **Section 8 Support in Scotland**

- 25. On 1 January 2007, the Scottish Executive introduced a new tier of Regional Selective Assistance ("Tier 3") for small and medium-sized enterprises (SMEs). Operating under section 8 of the Act and the EC Block Exemption Regulation for regional aid and SMEs, it was available across all of Scotland outside the Assisted Areas ("Tier 1" and "Tier 2"). It was a discretionary grant and operated along the same lines as RSA.
- 26. With effect from 1 October 2009 the Scottish Government replaced this scheme with an equivalent scheme under section 8 of the Enterprise and New Towns (Scotland) Act 1990. There have therefore been no Industrial Development Act section 8 applications or offers in 2014/15.

#### **Section 8 Support in Wales**

27. No applications for section 8 support were received, offers accepted or payments made against existing offers in the non-Assisted Areas of Wales during 2014/15.

#### Section 8 Support in England<sup>2</sup>

28. Financial support is provided under section 8 by means of a number of separate schemes. Some schemes have closed for new applications but continue to make payments in respect of existing projects. Detail on each of these schemes is set out below.

#### Section 8 Schemes Open to New Applications in 2014/2015

- 29. This section of the Report is structured as follows:
  - Section 8 schemes operated by the British Business Bank;
  - Support for local growth using section 8; and
  - Other current section 8 schemes and miscellaneous section 8 awards.

#### Section 8 Schemes Operated by the British Business Bank

- 30. The British Business Bank (BBB) was established by the Government with the overarching goal to change the structure of the business finance markets for smaller businesses, so these markets work more effectively and dynamically.
- 31. BBB received European Commission State Aid clearance in October 2014 and became an operationally independent, government-owned PLC on 1 November 2014. It manages all of Government's business finance support (lending and investment programmes) for smaller businesses within a single commercially-minded institution. BBB does not finance businesses directly, instead providing funds and guarantees to private sector partners, allowing them to provide more finance to smaller businesses.
- 32. BBB PLC has three subsidiaries:
  - <u>British Business Bank Investments Ltd</u>, or "BBBIL", is the fully-commercial subsidiary of the British Business Bank PLC.
  - <u>British Business Finance Ltd</u>, or "BBFL", manages British Business Bank programmes that have an element of State Aid.
  - British Business Financial Services Ltd, or "Service Co", carries out services on behalf of Government.

<sup>&</sup>lt;sup>2</sup> While support for business is a devolved matter, some section 8 schemes, particularly older schemes, cover the UK. These are covered in this section of the Report for convenience.

- 33. As of 1 November 2014, many BBB programmes were transferred to BBBIL or BBFL and have since been managed on the Group's balance sheet. Funding for the British Business Bank PLC is provided by the Secretary of State for Business, Innovation and Skills, with the consent of the Treasury, under section 228 of the Banking Act 2009. However, other programmes remain on the BIS balance sheet for commercial and legal reasons, but are managed from Service Co. Many of these programmes continue to use section 8 powers.
- 34. Over the coming year, it is expected that more programmes will transfer from Service Co to the Group balance sheet.

#### Business Finance Partnership (small business tranche)

- 35. The Business Finance Partnership (small business tranche) aims to increase the volume and diversity of finance available for UK smaller businesses by supporting the development of sustainable non-bank finance markets that are attractive to businesses and investors alike. It addresses long-standing gaps in the finance market for smaller business and promotes greater choice in their supply of lending.
- 36. The small business tranche has supported a range of non-bank lenders, such as peer-to-peer lending platforms, invoice finance platforms and asset-finance providers, making investments alongside private sector matched funding.
- 37. While delivery partners continue to lend to smaller businesses under the Business Finance Partnership, the programme itself is now closed to new applications. Seven lenders have been awarded £87 million (of which £61.6 million was under section 8) to increase their financing to smaller businesses, and so far have facilitated over 7,831 loans totalling £415 million (as of 31 March 2015).
- 38. With the exception of its investments via peer-to-peer (P2P) lending platforms, the Business Finance Partnership's investments were transferred to the British Business Bank PLC balance sheet as of 1 November 2014. The Business Finance Partnership's P2P investments remain on the BIS balance sheet and continue to make use of section 8 powers.

#### Investment Programme

- 39. Following the success of the now fully committed Business Finance Partnership programme (above), the British Business Bank's Investment Programme was launched in April 2013 with greater flexibility in the funding it can provide. It also addresses long-standing gaps in the finance market for smaller business and promotes greater choice in their supply of lending by making commercial investments that stimulate at least the same amount of investment from the private sector, encouraging new lenders in to the market and the growth of smaller lenders.
- 40. Initially allocated £300 million, in August 2014 the Chancellor announced that the Programme was being extended by a further £100 million.
- 41. To date, the Investment Programme has committed £238 million to 10 finance providers, which has facilitated £301 million of lending to 4,333 smaller businesses (as at 31 March 2015). Expenditure under section 8 totalled £28.6 million in 2014/15.
- 42. As with the Business Finance Partnership, above, Investment Programme investments were transferred to the British Business Bank PLC balance sheet as of 1 November 2014, with the exception of its investments via peer-to-peer (P2P) lending platforms. The Investment Programme's P2P investments remain on BIS's balance sheet and continue to make use of section 8 powers.

#### Enterprise Finance Guarantee

43. The Enterprise Finance Guarantee (EFG) scheme is a loan guarantee scheme. BIS provides a partial guarantee to lenders to facilitate additional lending to viable smaller businesses lacking adequate collateral

for a normal commercial facility. EFG may be used to facilitate loans, overdrafts and invoice finance for working capital and investment. It is available to businesses throughout the United Kingdom with an annual turnover of up to £41 million seeking credit of between £1,000 and £1.2 million (increased from £1 million after 2013/14), repayable over a period of 3 months to 10 years.

- 44. The Government provides the lender with a 75% guarantee on each loan, subject to a maximum claim limit of 20% of each lender's total annual EFG lending (the claim limit was raised from 13% to 20% in 2012/2013 and has remained at this level since). The claim limit was introduced to ensure commercial rigour in the lending decision.
- 45. As at 31 March 2015, the outstanding loan book was £845.1 million, with 11,703 SMEs benefitting from an EFG-backed loan. The liability of BIS is capped at £286 million. At 31 March 2015, expenditure of £117.3 million had been defrayed under the scheme.
- 46. The EFG programme is managed by the British Business Bank but remains on BIS's balance sheet.

#### Enterprise Capital Funds

- 47. Enterprise Capital Funds (ECFs) form part of the British Business Bank venture capital solutions and are focused on supporting a vibrant and diverse venture capital market to support early stage and high-growth firms in the UK.
- 48. The first ECFs were established in 2006 to address the recognised equity gap affecting some viable smaller businesses with the potential for high growth that are seeking modest amounts of equity finance (up to £2 million). ECFs are designed to be commercial funds, investing a combination of private and public money. The British Business Bank provides two thirds of the capital in each ECF, in return for a preferred return (3%), and a limited share in any profits of the fund, and the private sector provides the rest of the capital. The preferred return is intended to cover the British Business Bank cost of capital and the profit share from successful funds is intended to offset any losses on unsuccessful investments.
- 49. The ECF programme has been running successfully since 2005 and the British Business Bank has obtained approval from the European Commission to extend the programme for another 10 years to 2024.
- 50. Further fund mandates were awarded in 2014/15 bringing the total number of funds to 19, of which 11 are currently active and 8 are fully committed. All together these ECFs have total capacity of £666.3 million. As at 31 March 2015, the British Business Bank commitment to these funds totals £389.2 million, of which £205.1 million has been drawn by the funds (commitments under section 8 were £322.7 million).
- 51. The ECF programme was transferred to the British Business Bank PLC balance as of 1 November 2014.

#### VC Catalyst Fund

- 52. The Venture Capital Catalyst Fund ("VC Catalyst Fund") was announced at Budget 2013, with the objective of supporting the UK's innovative, high growth small and medium sized businesses by co-investing on the same terms as private investors in commercially viable venture capital funds. The programme has funding allocation of up to £125 million and makes investments of around £5 million to £10 million, in private sector-led venture capital funds, helping those funds to reach a satisfactory first close, enabling the funds to commence investment sooner than they otherwise would.
- 53. As of 31 March 2015, the British Business Bank has committed £30.2 million, of which £5.8 million (£3.3 million under section 8) has been drawn from the Fund, so far unlocking £51.3 million of private sector equity finance for small businesses.

54. The VC Catalyst Fund was transferred to the British Business Bank PLC balance sheet as of 1 November 2014.

#### Aspire Fund

- 55. The Aspire Fund was established in 2008, with £12.5 million of Government capital to provide equity investment for high growth women-led businesses, alongside matched co-investment from the private sector. It is now closed for new applications.
- 56. It makes equity investment of between £100,000 and £2 million on the same or better terms as the private co-investors. The aim of the fund is to encourage businesswomen to seek appropriate equity finance and demonstrate to the business community that investment opportunities exist in businesses run by women. As at 31 March 2015, the fund has committed £4.7 million.
- 57. The Aspire Fund was transferred to the British Business Bank PLC balance sheet as of 1 November 2014.

#### Capital for Enterprise Fund

- 58. The Capital for Enterprise Fund, announced on 14 January 2009, targets businesses whose growth has been stalled by a lack of available funding either because they are over-geared or under-capitalised. The £50 million fund aims to provide equity and quasi equity of £200,000 to £2 million for companies meeting the EU definition of an SME. The Capital for Enterprise Fund is fully committed.
- 59. As at 31 March 2015, £45.7 million had been drawn down by the Fund, with £66.1 million, including other investors' money, invested in 38 companies.
- 60. The Capital for Enterprise Fund was transferred to the British Business Bank PLC balance sheet as of 1 November 2014.

#### Start-Up Loans Scheme

- 61. The Start-Up Loans programme supports individuals looking to start a business, or those with a business trading for up to 12 months and who have potentially viable propositions but find it difficult to obtain finance from a high-street bank. The Programme offers a repayable loan of up to £25,000 over up to 5 years, combined with a business mentor to enable entrepreneurs to set-up their business or become self-employed in UK.
- 62. On a day-to-day basis the Start-Up Loans programme is run by the Start-Up Loans Company, an independent business created specifically for the delivery of the programme. The Start-Up Loans Company contracts with over 60 localised delivery partners to deliver loans and mentorship.
- 63. The programme is open to entrepreneurs aged over 18 years, based in the UK and who have been trading for up to 12 months.
- 64. As at 31 March 2015, 27,957 entrepreneurs had received loans from the programme worth a total of over £146 million of lending. In the twelve months to 31 March 2015, Start-Up loans provided loans worth over £66 million to 13,755 entrepreneurs.
- 65. The Start-Up Loans programme is managed by the British Business Bank but remains on BIS's balance sheet, continuing to use section 8 powers.

#### Business Angel Co-Investment Fund

66. The Business Angel Co-Investment Fund (CoFund) was established in 2011 with a £50 million investment through the Regional Growth Fund. The CoFund makes equity investments alongside syndicates of Business Angels (high-net worth individuals who invest in early-stage companies).

- 67. It invests in smaller businesses identified as having high growth potential and makes investments of between £100,000 and £1 million on a *pari passu* basis. The objectives of the Angel CoFund go wider than simply making investments, it is structured to encourage syndication of angel networks and properly structured, well researched investment.
- 68. As of 31 March 2015, the CoFund was supporting 55 small businesses with over £110 million of finance facilitated. Expenditure under the Co-Fund in 2014/15 is recorded as RGF expenditure.
- 69. The British Business Bank has oversight over the Angel CoFund, but it remains on BIS's balance sheet, continuing to use section 8 powers.

#### **Support for Local Growth Using Section 8**

Local Enterprise Partnership Capacity Fund

- 70. In order to help Local Enterprise Partnerships (LEPs) improve their understanding of the issues facing businesses in their areas and to allow them to develop and prioritise action plans, in January 2011 BIS announced its plans for a £4 million Capacity Fund. This funding was available over four years, at £1 million per year, ending in 31 March 2015. The Fund was provided under section 8 of the Act. All LEPs who have sought recognition by BIS were eligible to receive money from the Capacity Fund.
- 71. By March 2012 BIS had confirmed to each LEP its individual allocation (£76,800) which was spent in total by 31 March 2015.

#### Support for City Deals

- 72. On 5 July 2012 the Government announced the devolution of new powers to England's largest cities in a series of unique deals that will help them invest in growth, improve local workers' skills and create jobs, support local businesses, control budgets and improve critical infrastructure.
- 73. City Deals are a mechanism to achieve this aspiration by giving England's cities new powers and freedoms. Deals are agreements between Government and a city that give that city the ability to take charge of and responsibility for decisions that affect their area, including helping businesses grow, creating economic growth and deciding how public money should be spent. Each deal is bespoke and reflects the different needs of individual places but every deal aims to:
  - Give cities the powers and tools they need to drive local economic growth;
  - Unlock projects or initiatives that will boost their economies; and
  - Deliver a step change in the governance arrangements.
- 74. Government support for these deals uses a range of financial powers, depending on the nature of each deal. In some cases, use is being made of section 8.

#### City Deals – First Wave

- 75. The cities being supported in the first wave are:
  - Birmingham
  - Bristol
  - Leeds
  - Liverpool
  - Newcastle

- Nottingham
- Sheffield
- Manchester.
- 76. The cities listed above have estimated that they will deliver 175,000 jobs over the next 20 years and 37,000 new apprenticeships.
- 77. As set out in the 2013/14 report, BIS has agreed to provide support under section 8 of the Act for specific elements of the city deals with Nottingham, Liverpool and Bristol.
- 78. The total Government commitment under section 8 for this support is £8.23 million. As at 31 March 2015 a total of £6.96 million had been paid.

#### City Deals - Second Wave

- 79. On 29 October 2012, a second wave of City Deals was launched, with 20 areas invited to come forward with proposals along the lines of the deals agreed during the first wave.
- 80. The 20 areas chosen were:
  - Bournemouth
  - Greater Brighton
  - Cambridge
  - Coventry & Warwickshire
  - Greater Ipswich
  - Hull & Humber
  - Leicester & Leicestershire
  - Middlesbrough and the Tees Valley
  - Milton Keynes
  - Greater Norwich
  - Oxfordshire
  - Plymouth and the South West Peninsula
  - Portsmouth and Southampton
  - Preston, South Ribble and Lancashire
  - Thames Valley and Berkshire
  - Southend
  - Stoke and Staffordshire
  - Swindon and Wiltshire
  - Sunderland
  - Wolverhampton and the Black Country.
- 81. By 31 March 2015, 17 deals had been agreed; as at this date BIS had offered £5 million of support under section 8 to the Stoke City Deal.

# Other Current Section 8 Schemes and Miscellaneous Section 8 awards

#### UK Coal

82. UK Coal signed a loan agreement with BIS on 25 September 2014 for £4 million, with an interest rate of 12%, and the funds were drawn down on the same day. As at 31 March 2015 the full £4 million loan was outstanding.

#### GrowthAccelerator

- 83. GrowthAccelerator is an England-wide programme to help businesses with potential for rapid and sustainable growth, achieve their ambition. Over 23,000 firms have joined the programme since it was launched in May 2012. The evidence shows that fast growing small businesses generate a very high proportion of economic growth and jobs in the UK.
- 84. The programme helps high growth potential small businesses by providing them with the expertise, insight and networks to achieve sustainable growth. It diagnoses their needs and delivers a holistic package of support that includes:
  - Specialist business coaching tailored to addressing their specific needs (raising finance, securing new customers etc.);
  - Master-classes and an alumni network to facilitate peer to peer learning;
  - Grants to contribute to the cost of leadership and management development;
  - Fast access to external sources of help such as: trusted providers of business advice (e.g. UK Trade & Investment, Innovate UK and private providers); business and investor networks (e.g. angels); and business incubators.
- 85. Helping small businesses with potential for growth to overcome barriers can make a significant contribution to a private sector-led recovery. The aim is that GrowthAccelerator will deliver at least £2.2 billion of additional Gross Value to the economy whilst also creating over 55,000 new jobs.
- 86. Expenditure in 2014/2015 on the programme was £69.08 million.

#### **Growth Vouchers**

- 87. Growth Vouchers is an England-wide programme to test what strategic business advice works best to help small businesses grow. The programme will use a series of Randomised Controlled Trials (RCTs) to collect empirical evidence on a variety of business support services to explore what role Government should play. Each business that receives a Growth Voucher may use it to subsidise the purchase of strategic business advice from private sector suppliers in the following areas:
  - Raising finance and managing cash flow;
  - Marketing, attracting and keeping customers;
  - Making the most of digital technology;
  - Improving leadership and management skills; and
  - Recruiting and developing your staff.
- 88. The initial phase of the Growth Voucher programme offers a subsidy of 50% up to the value of £2,000 per business to help pay for external advice. Additional support is being delivered in the form of online or face to face diagnostics to help firms identify what support they need to grow their business. As the programme develops, the programme will be adjusted to test different forms of support. The £30 million programme

launched on 27 January 2014 and closed for applications on 31 March 2015. Since the programme launched, over 28,000 businesses have received advice to help them identify their support needs with over 20,000 vouchers issued to help subsidise the cost of obtaining that advice from suppliers in the private sector. The results of the research will be released at various stages over the lifetime of the programme but the results from the RCTs will not be published until the trials have ended in 2 to 3 years to ensure accurate growth data has been captured. Expenditure in 2014/2015 on the programme was £9.1 million.

#### Digital Region Ltd

- 89. Digital Region Ltd is a company formed to provide high-speed broadband coverage to South Yorkshire. Yorkshire Forward (the former Yorkshire and Humber RDA) held a 50% shareholding in the company which passed to BIS prior to Yorkshire Forward's closure in March 2012.
- 90. In August 2013 the shareholders in Digital Region Limited made a decision to close the network and dissolve the company as it had not been possible to acquire a new network operator who could place the network on a sustainable footing. The network ceased operating in August 2014 and the company has been undergoing a managed closure process. It is expected that a Liquidator will be appointed shortly. During 2014/2015 BIS provided a total of £3,692,857 to the company using section 8 by way of grants. This was as its contribution towards the closure costs of Digital Region Limited.

#### Prompt Payment Code - Chartered Institute for Credit Management

- 91. The Prompt Payment Code (PPC) was established in December 2008 by the Chartered Institute for Credit Management (CICM) at the request of the Government. The aim of the Code is to encourage companies to commit to good practice in their supplier relationships, and by doing so improve business cashflow and working capital. In October 2014, the Government launched a review of the Code to strengthen its impact on payment culture in the UK. This work was led by an advisory board comprising leading Code signatories and business representative bodies. Changes to the Code were announced in February 2015 including changes to the payment commitments made by signatories; a strengthened monitoring and enforcement regime; and the launch of the new PPC website.
- 92. During 2014/2015, BIS provided a grant offer of up to £50,000 to the CICM to administer the changes to the Code. Specifically, the grant was used to fund changes to the Code website, provide additional IT resource, and fund the recruitment of additional administrative staff.

Compensation for the Indirect Costs of the EU Emissions Trading System and the Carbon Price Support Mechanism<sup>3</sup>

- 93. A scheme to compensate energy intensive industries for the indirect costs of the EU Emission Trading System (EU ETS) commenced in August 2013. A second element, providing relief from the Carbon Price Support mechanism (CPS), began in August 2014 and was paid with effect from March that year.
- 94. The objective of these schemes is to support the competitiveness of such companies based in the UK by reducing the impact of the EU ETS (a Europe-wide emissions reduction and trading scheme) and the CPS (a domestic levy on carbon) on the costs of electricity passed through in bills from energy suppliers.
- 95. The scheme requires applications from businesses to demonstrate that they are electricity intensive. During 2014/15 Government paid £52.88 million under the scheme to 55 businesses £19.63 million in respect of EU ETS compensation, and £33.25 million in respect of CPS compensation.
- 96. The total compensation disbursed from the beginning of the scheme to 31 March 2015 is £84.59 million to 56 different businesses.

<sup>&</sup>lt;sup>3</sup> Previously the compensation scheme for the indirect costs of the EU Emissions Trading System (EU ETS).

#### NSARE: Traction and Rolling Stock Training Academy

- 97. In July 2013 the Government offered the National Skills Academy for Railway Engineering (NSARE) a repayable grant of up to £3.5 million, representing 50% of the costs to construct a new traction and rolling stock training academy in conjunction with Siemens plc to meet identified training needs across this part of the rail sector. The funding is being provided jointly by BIS and the Department for Transport.
- 98. As at 31 March 2014, £438,500 of the grant had been drawn down. In the financial year 2014/2015 further loan payments of £1,786,000 were drawn down. The construction phase of the project began in July 2014 and is due for completion in July 2015 with the Academy opening in September 2015, after which repayment of the grant will commence on the achievement of agreed milestones.

#### Capacity Building Pilot Project

99. UKTI remains committed to working with Trade Associations to help UK businesses develop internationally. In 2014/15 a new "Capacity Building" pilot project was delivered with British Water (Trade Association) that resulted in a number of new potential exporters being referred to UKTI's International Trade Advisers (ITAs) for export advice and planning. The associated costs for this pilot project amounted to £1,750. There are no further pilot projects planned.

#### Building Information Modelling (BIM) - Construction Industry Council (CIC)

100. During 2014/2015 BIS provided the Construction Industry Council (CIC) with a £1.01 million grant to assist the construction supply-chain to adopt Building Information Modelling (BIM) – a modern digital tool which aims to improve the performance and competitiveness across all areas of construction and deliver better performing structures.

#### techUK - Cyber Growth Partnership SME Growth Project (Cyber Connect UK)

- 101. During 2014/2015 BIS provided techUK with a £54,000 grant (£108,000 over a full 12 months running to 30 August 2015) to support the development of a national cyber security business growth network for SMEs that will deliver against 10 core initiatives.
- 102. Under the grant, techUK has recruited a small business champion to lead on the 10 core initiatives under the Cyber Connect project. The forecast was to deliver 8 events by 31 March 2015 and these have been achieved. This target is in addition to the development of a portal (http://www.techuk.org/cyber-connect-uk) and the national mapping of the cyber industry, which is progressing with the development of a geo-location map.

#### Key IQ Limited - Cyber Growth Partnership SME Growth Project (Cluster Development)

- 103. During 2014/2015 BIS provided Key IQ Limited with a £20,256 grant (£39,000 over a full 12 months running to 31 July 2015) to facilitate the creation of cyber security clusters across the UK and to support the clusters with their growth.
- 104. The cluster development is to build on the success of the Malvern cyber security cluster and replicate elements of this model throughout the country. Some 15 cyber clusters are now in operation across the UK, with the initiative helping to facilitate and/or support the growth in 12 of these clusters.
- 105. There are currently known cyber security clusters in: Bath; Cambridge; East Midlands; Exeter; London; Malvern (Worcestershire, Herefordshire & Gloucestershire); North East (Tyne & Wear); Northern Ireland (Belfast); North West (Lancaster); Oxford; Scotland (Edinburgh); South Wales (Cardiff & Newport); Sussex (Brighton); Solent (Southampton); Thames Valley (Reading).

#### Business Focus on Enforcement

106. A new programme, *Business* Focus on Enforcement, was announced as part of the 'Small Business: GREAT Ambition' publication in December 2013. This programme allowed trade associations and representative business groups – instead of civil servants – to bid to review how enforcement operates in their business area. Successful bidders gathered evidence of the impact of how enforcement operates in their sectors and presented their findings and the case for change, directly to relevant regulators and Ministers.

107. Their reports were published on 23 March 2015 alongside responses from the relevant regulators. The reviews examined enforcement arrangements in respect of livestock farm inspections (led by the National Farmers Union (NFU)), imports of fresh produce (led by the Fresh Produce Consortium (FPC)) and the classification of electronics exports (led by techUK).

108. The programme was funded under section 8 of the Industrial Development Act. A maximum of £4,000 was made available for each review, which was required to be at least matched by a contribution from the review organisations. For 2014/15, £11,000 was granted: £4,000 for the NFU, £4,000 for techUK and £3,000 for the FPC.

#### Section 8 Schemes No Longer Open to New Applications

#### BIS Shareholding in Greencoat UK Wind plc

109. In February 2015, BIS sold down its entire shareholding in Greencoat UK Wind plc, placing these at a profit with a number of investors. The stake of 50 million ordinary shares had originally been acquired for £50 million in 2013 at the time of the fund's initial public offering with BIS using section 8 to make the investment. BIS received an annualised return of 6% on its investment and sold the shares for £51.75 million.

#### The Phoenix Fund

110. 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 Community Development Venture Fund (CDVF) which has section 8 as a statutory basis.

111. The CDVF was created in response to a recommendation from the Social Investment Taskforce. Also known as "Bridges", it is a £40 million fund, of which £20 million is provided by BIS, that acts as a source of venture capital to SMEs which are capable of substantial growth and which are located in the 25 most deprived local authority wards in England.

112. Since the launch of the Fund to 31 October 2014 a total of £20.028 million has been drawn down from BIS. Although a small amount of funds can still be drawn down by 'Bridges' (over and above the original £20 million due to recycling provisions within the agreement), the Phoenix Fund closed to new applications on 31 March 2006.

#### **Enterprise Fund**

113. 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. The main elements of assistance are outlined below.

#### Small Firms Loan Guarantee

114. The Small Firms Loan Guarantee (SFLG) scheme guaranteed loans on commercial terms to small firms with viable business proposals but which were unable to obtain conventional finance because they do not have the collateral required by the lender to secure the borrowing. By providing a Government-backed guarantee against default, the SFLG encouraged lenders to lend in cases where they would not otherwise do so. SFLG was replaced by the Enterprise Finance Guarantee (EFG) scheme with effect from 14 January 2009 (see paragraphs 43-46).

115. As at 31 March 2015, the outstanding value of the SFLG portfolio was £25 million and the liability to BIS was £18.7 million.

#### Early Growth Fund

116. The Early Growth Fund (EGF) programme was established to encourage risk funding for start-ups and growth firms. The objective of the programme was to increase the availability of small amounts of risk capital (averaging around £100,000) for equity investment in innovative and knowledge intensive businesses, as well as for other growth businesses. As at 31 March 2015 the Early Growth Fund had drawn down £30.6 million from BIS.

#### Vehicle Scrappage Scheme

- 117. The Vehicle Scrappage Scheme was announced in April 2009. The scheme aimed to provide a short term boost to the automotive industry and stimulate consumer demand in the face of falling sales. It also served to remove older vehicles from the road by encouraging consumers to invest in new, safer and potentially more environmentally friendly models.
- 118. Under the scheme, Government provided a £1,000 incentive, with matched funding from vehicle manufacturers (i.e. £2,000 in total), for consumers to replace a car that was at least 10 years old, or (from October 2009) a van that was at least 8 years old, with a brand new vehicle. In total, up to £400 million was allocated to the Scheme (£300 million when the scheme was announced and a further £100 million allocated in September 2009), sufficient to support up to 400,000 new vehicle sales.
- 119. The scheme was launched on 18 May 2009 and closed to new orders on 30 March 2010. Around 20% of all new cars registered in the UK during this period were supported by the scrappage scheme<sup>4</sup>. As a result of the scheme audit and data reconciliation, BIS received payment of £172,000 during 2014-15.

#### **Automotive Assistance Programme**

- 120. The Automotive Assistance Programme (AAP) commenced on 27 February 2009. The programme was aimed at supporting up to £2.3 billion of investment in the UK automotive sector, through the provision of loan guarantees, or in exceptional cases, loans.
- 121. The AAP supported automotive companies affected by the recession and aimed to ensure continued investment by these companies in the development of cutting edge green technologies, contributing to  $\mathrm{CO}_2$  reduction and the low carbon future of the industry. It also aided the advancement of research and development in UK vehicle manufacturing, and the creation and safeguarding of jobs.
- 122. The AAP provided a loan guarantee of £378 million to support a £450 million 5-year loan provided by the European Investment Bank to Ford Motor Company Limited. The loan was fully drawn in September 2010 and is due to be repaid on 11 September 2015.

<sup>&</sup>lt;sup>4</sup> Society of Motor Manufacturers and Traders.

#### **Grant for Business Investment**

123. The GBI scheme (see paragraphs 12-15) provided financial support for SMEs outside the Assisted Areas under section 8. Such support was provided under the SFIE (SME) scheme until October 2008 and the introduction of the GBI (SME) scheme. The changes made to the GBI scheme (outlined in paragraphs 12-14 above) applied to the GBI (SME) scheme also, which closed to new applications on 1 February 2011.

124. Following the closure of the RDAs all activities relating to the administration of the GBI scheme using section 8 of the Act were transferred to BIS in September 2011. These relate to monitoring existing projects, assessing claims and making payments to businesses and conducting post-completion monitoring on closed cases. Over the year, assistance of £154,000 was given to these projects under section 8.

125. The total support provided over the period is at **Appendix 4.** 

#### The Regional Growth Fund

126. The RGF is a competitive fund which has operated across England since 2010. It has supported businesses of all sizes to grow in order to create jobs and rebalance the economy. It has facilitated sustainable growth and prosperity by supporting projects and programmes with significant potential for economic growth, private sector investment and sustainable private sector employment.

127. The RGF has operated across six open bidding rounds, as well as providing exceptional RGF support, which has allowed companies with time critical proposals to bid at any time. The RGF has invested £2.82 billion over six rounds. £2 billion of RGF support has been paid out since 2011/12, which by 31 March 2015 had secured £4 billion in private sector investment, with a further £12 billion pledged by companies by the mid-2020s. 124,000 jobs have been created or safeguarded. By 31 March 2015, the RGF had also supported 11,200 SMEs through 150 nationally and locally run programmes, operated by a range of intermediary organisations, such as Local Enterprise Partnerships, universities and financial institutions.

128. The Fund uses both section 7 and section 8 as a legal basis depending on the nature of project or programme of projects being supported and where they are located. In 2014/15, £230 million was paid under section 8 and £137 million under section 7. The remainder was provided under the Science and Technology Act 1965, the Housing Grants, Construction and Regeneration Act 1996 and the Banking Act 2009.

129. Total RGF support is set out in more detail at Appendix 7. The last Annual Monitoring Report on the RGF was published in July 2014. This publication described the position of the four rounds of the Regional Growth Fund which had taken place up to 31 March 2014. A further report is planned on the 2014/15 financial year.

#### Assistance Under Sections 11 and 12

130. Section 11 of the Industrial Development Act 1982 allows the Secretary of State to make provision for giving advice to those carrying on, or proposing to carry on, a business. Section 12 enables the Secretary of State to give grants or loans to promote the practice of engineering, to encourage and improve links between industry and education and to encourage young persons and others to take up careers in industry or pursue appropriate educational courses. Under the terms of the 1982 Act the Secretary of State is required to report to Parliament on the exercise of his powers under section 11 on an annual basis. This section of the Annual Report also covers section 12 expenditure for the sake of completeness.

#### **UK Trade and Investment (UKTI)**

131. UKTI used the powers in section 11 of the Act to fund the delivery of international trade services in the English regions to the provisional value of £29.2 million. Comparable figures in previous years are (in £ million):

Table 2

2007/2008	16.2
2008/2009	17.2
2009/2010	18.3
2010/2011	18.3
2011/2012	19.6
2012/2013	24.3
2013/2014	28.5

132. The funding was used to pay regional business support organisations in England to provide teams of specialist international trade advisers. There is a separate team in each region and the advisers deliver UKTI support to businesses in their respective regions.

#### **UK Export Finance**

133. UK Export Finance used the powers in section 11 of the Act to support the activities of its network of export finance advisers. UK Export Finance's advisers act as local points of contact to introduce exporters and UK businesses with export potential to finance providers, credit insurers, brokers, trade support bodies and sources of government support. In 2014/2015 the cost of supporting such activities in the English regions, Scotland, Wales and Northern Ireland amounted to £70,601.

#### Overseas Business Networks Initiative (OBNi)

134. OBNi is a change programme catalysing the role of the partners (including Overseas Chambers of Commerce and Business Groups) in delivering high-quality, innovative support for exporters across 39 global markets. OBNi is facilitated and led by a partnership of UKTI, the Foreign and Commonwealth Office, and the British Chambers of Commerce (BCC).

135. UKTI used the powers in section 11 of the Act to fund the development of the network and to provide business support services overseas to the value of around £14 million in 2014/2015. OBNi works with delivery partners both overseas and, through the BCC, in the UK.

#### **Business Support Helpline**

136. The Business Support Helpline (formerly the Business Link Helpline) was launched in September 2011. It complements GOV.UK and GREAT and helps businesses find the right support at the right time through answering simple queries and sign-posting businesses to further sources of support. The total cost of the Helpline service in 2014/2015 was £2.1 million. This was defrayed using section 11. During this period the Helpline handled 34,308 inbound calls, 7,139 in-depth advisor sessions and over 100 web chats per week from small businesses.

#### Small Business Digital Capability Programme

137. BIS provided funding in 2014/2015 under section 11 to deliver activities to help small businesses improve their digital capabilities, in order to make the most of digital technologies and ultimately trade and grow online. This included:

- £235,300 for Go ON UK to deliver work contributing to actions set out in the Digital Inclusion Strategy 2014 and the Information Economy Strategy 2013 to help small firms improve their digital capabilities.
- £1,749,270 for 22 Local Enterprise Partnerships to deliver a range of activities to help small businesses improve their digital skills.

138. In addition, funding was provided for related research, to independent organisations, namely £34,485 to SQW for evaluating the Local Enterprise Partnerships challenge fund projects and developing case studies and £59,220 to BMG Research Ltd for a resurvey on digital issues of the Small Business Survey.

#### **Promoting Enterprise Culture**

139. BIS provided funding in 2014/15 under section 12 to support activities to raise awareness of and ambition for enterprise as an employment option and to improve awareness of and access to the support available to start a business. This included:

- £249,900 for the Entrepreneurs and Educations Programme to encourage more enterprising managers, teachers, students, graduates and researchers in schools;
- £865,553 for the National Association of College and University Entrepreneurs, of which they have received £683,849 for the financial year 2014/15, to build a network of enterprise societies in Further and Higher Education; and
- £50,000 for Young Chamber UK to launch, promote and manage the Enterprising Britain Awards which recognise successful activities and initiatives undertaken to promote enterprise and entrepreneurship and to find suitable candidates for the European Enterprise Promotion Awards.

140. The other strand of Government activity in this area is to encourage interactions between large businesses and small enterprises, for their mutual benefit. Enterprise Nation was provided with £12,000 to build and run the Business Exchange, to strengthen links between big business and small enterprises. Big businesses committed to open up their supply chains and provide support and opportunities to small businesses, and Enterprise Nation promoted these opportunities online and through a series of events.

#### Somerset Chamber of Commerce: Hinkley Point

141. Somerset Chamber of Commerce were awarded a grant of £150,000 under section 11 of the Industrial Development Act 1982 to support their work through the Hinkley Supply Chain Enabling Team in preparation for the new nuclear power station planned for Hinkley Point in Somerset. The grant supported the development of potential local supply chains by grouping and advising small local businesses and with shared results from specialist advanced interpretation of work package requirements. This interpretation allowed Somerset Chamber of Commerce to identify suppliers with transferable capability to target for further support to prepare for the tender process.

#### **Assistance Under Section 13**

#### **Improvement of Basic Services**

142. Section 13 allows the Minister in charge of any Government department to make grants or loans where adequate provision has not been made for the needs of any Assisted Area in respect of a basic service for which that department is responsible. Basic service means the provision of facilities for transport (whether by road, rail, water or air), or of power, lighting, heating, water, sewerage, sewage disposal, or any service or facility on which the development of the area in question, and in particular of industrial undertakings therein, depends.

- 143. In 2014/2015 the Welsh Government did not approve any grant applications under section 13. There were no payments made in respect of completed projects.
- 144. Following a review by Ministers of Defra-funded schemes, from 1 September 2007 grants under section 13 towards the provision of water and sewerage infrastructure are no longer available.
- 145. In 2014/15 DfT did not have a budget to offer assistance under section 13 and therefore did not accept any new grant applications. One outstanding claim was submitted but a payment was not made because the project had not been completed in accordance with the terms of the grant offer. DfT now have no outstanding grant offers under section 13.

#### **Assistance Under Section 14**

146. Section 14 of the Act gives the Secretary of State the power to provide, or facilitate the provision of, premises for businesses in Assisted Areas. There was no expenditure under this section in 2014/2015.

#### Assistance Under Part III of the Industry Act 1972

#### The Home Shipbuilding Credit Guarantee Scheme

147. The Home Shipbuilding Credit Guarantee Scheme closed to new applications on 1 October 2004 (with 5 April 2005 being the final date for signature on guarantee contracts). The scheme guaranteed loans provided by commercial banks for the building, completion or alteration of ships, and mobile offshore installations. It allowed 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 were made in pounds sterling, US dollars, Euros or a combination of these currencies.

148. The Statement of Guarantees for the year to 31 March 2015 is as follows (2013/2014 figures in brackets):

Table 3

	No. of Guarantees	Amount of Principal Guaranteed (£)
Guarantees offered in 2014/2015	0 (0)	0 (0)
Repayments in year 2014/2015	2 (0)	0 (0)
Guarantees current on 31 March 2015	2 (2)	913,122 (1,330,595)

#### Reports of the Industrial Advisory Boards

#### Welsh Industrial Development Advisory Board (WIDAB)

Report by the Chair of the Welsh Industrial Development Advisory Board

149. The Welsh Industrial Development Advisory Board was set up under section 13 of the Welsh Development Agency Act 1975 and continues to advise Welsh Ministers on applications for Repayable Business Finance, where the level of support requested is in excess of £1 million and is to be provided under section 7 of the Industrial Development Act 1982.

150. The Board met on 9 occasions during the year to consider 15 applications for financial support. The Board recommended that support of £63 million be offered to assist £385 million of eligible project costs which was expected to create 3,076 jobs and safeguard 81 jobs, at an average cost per job of £20,161.

151. Following the retirement of Valerie Barrett as Chair of WIDAB in June 2014, I was delighted to be appointed as Chair. On behalf of the Board, I would like to thank Valerie for her 10 years' service as Chair. In addition, I would like to thank members for all their support of the activities of the Board over the past year, their contribution is greatly appreciated.

#### KERRY DIAMOND Chair, WIDAB

#### **Industrial Development Advisory Board (IDAB)**

152. IDAB is appointed under section 10 of the Industrial Development Act 1982 to advise the Secretary of State on the exercise of his functions under sections 7 and 8 of that Act. The main work of the Board is to advise on large business investment decisions being considered by the Department or on new schemes of support being introduced under sections 7 and 8.

Report by the Chairman of the Industrial Development Advisory Board

153. The Board is appointed under section 10 of the Industrial Development Act 1982. It provides commercial and financial advice to Minsters on schemes and individual projects where public financial support is proposed to support job creation. Its members have commercial, financial and academic experience which has been gained in specialist areas such as real estate, banking, textiles and publishing. All of the Board's members are independent and are unpaid. The Board's role is to challenge constructively and to advise on securing the best achievable value for money.

154. Over 2014/15 the Board met on fifteen occasions, meeting monthly and holding additional sessions to deal with urgent cases. Most of our work has been on bids for support under the Regional Growth Fund (RGF). We have advised on specific one off cases outside RGF such as UK Coal. The RGF cases we supported will create a total of 20,000 direct jobs and a further 15,000 indirect jobs at suppliers. Those jobs are ones which will continue beyond the guaranteed minimum period, usually five years, and which help build or rebuild parts of the economy which have good prospects for the longer term such as the UK automotive industry. We ensure that wider systemic benefits are obtained too, in skills training, sharing intellectual property and supply chains.

155. Working with its officials the Board has developed and continues to refine clear and robust methods of evaluating cases. Benefit Cost Ratio analysis focuses on the value of the benefits resulting from the project, such as the value of employment, spillover benefits of research and development and of training against the cost to government of supporting the project. Analysis takes into account risks and factors such as the probability that the applicant would proceed in any event or that public support could crowd out other market participants. We also focus on the leverage ratio of private funds compared to the investment of public money.

156. Needs in the economy, and our advice as to the best response to them, continue to evolve. The economy is strengthening and the rate of job creation is above expectations. Our focus has been more on achieving better Benefit Cost Ratios and securing additional benefits, principally addressing productivity through for example greater investment in skills training.

157. Under the Terms of Reference agreed with Ministers in early 2013 the agreed normal practice is that if our advice is not followed that would be cause for a Ministerial direction to be sought. The Board has the power under the Industrial Development Act 1982 to notify Parliament if its advice has not been followed.

158. Under the Terms of Reference the Board has evaluated key RGF cases that have come through a normal bidding round – cases seeking aid of £10 million or more, or from applicants that have had cases previously considered by the Board, or those on which the Department would like to have our views. In addition IDAB has considered all applications seeking £2 million or more under the "exceptional" RGF arrangements introduced in 2012/13 to allow Ministers the option of using RGF funding to respond quickly on an exceptional basis to economic shocks and opportunities outside the normal bidding process.

159. Set out below is a table of cases considered by IDAB by type and outcome.

Scheme	Number of cases put before IDAB	Number of cases recommended for support
RGF	30	21
eRGF	12	5
Other cases	5	3
Total	47	29

- 160. We review RGF applications prior to the in principle decision to grant aid and following detailed evaluation of the application before the final aid award. Over the year IDAB evaluated RGF cases from the earlier Rounds 4 and 5 on which evaluation had been completed and made a preliminary assessment of applications under RGF Round 6 which closed at the end of September 2014. These cases covered both individual projects and programmes, where the support is provided to beneficiaries via an intermediary.
- 161. The largest number of cases coming before the Board this year were exceptional RGF applications. Twelve came to us for review. The increase in this particular area of activity reflects the closure of RGF Round 6 and the absence of any certainty that there would be a further competitive round of RGF bidding.
- 162. As well as work on RGF and exceptional RGF applications, we advised on two new schemes of support under section 8 of the Act and three standalone applications for financial assistance. We reviewed the operation of the asset finance schemes supported by RGF as part of Round 4. We also provided advice on how Government might best prepare for and handle a possible major economic shock in the energy supply sector.
- 163. Applications for support considered by the Board covered a significant range of economic activity, for the automotive sector both the major manufacturers and firms in the supply chain pharmaceuticals, mining, food production, broadcasting, civil nuclear and sports and leisure.
- 164. The key aim of the Board is that its commercial and financial advice is rigorously independent and ensures that public funds are used only in the most effective of ways. The Board advised against providing the support sought by the applicant in sixteen of the forty two proposals it considered. Some cases came before us for evaluation on more than one occasion before we were able to support or reject them.
- 165. The Board welcomed further improvements to the quality and speed of the analysis undertaken on the Round 6 bids. It has helped secure better use of cost of capital methodology. It is continuing to drive to get higher quality clearer due diligence reports on applicants' projects. It has encouraged the development of more strategic relationships between Government and growing businesses so scarce financial resources can be better directed. Further progress remains to be made.
- 166. The Board has encouraged the development of grants which are made conditional on the applicant delivering additional benefits which help meet national growth goals. Examples have included supplier fairs and programmes aimed at potential employees. Our principal goal is securing support for growth and productivity growth and we have recommended increasing the skills training undertaken by those receiving grants. While progress has been made, more still can be achieved.
- 167. Advice on RGF cases is also provided by a separate Independent Advisory Panel, chaired by Lord Heseltine. Professor Chris Higson, a member of IDAB, and I also sat on this Panel during the year.

168. Appointments to the Board are made by Ministers. The process for making recommendations to Ministers for new appointments now includes the Board and as chairman I chair the appointment panel, supported by the Secretary of IDAB and an independent official from outside BIS. One new member, Professor Vikas Shah, was appointed during the year and another recruitment round will start shortly. We have improved the mix and diversity of the Board in the two recruitment rounds in which we have made recommendations and our aim is to continue this.

169. During the year two members – Bill Lazarus (former Finance Director of the Norbain Group) and George Rose (former Chief Financial Officer of BAE Systems plc) – retired from the Board. We were very grateful for the valuable work both contributed during their membership.

170. I am grateful to all members for the significant time and effort they have devoted to the work of the Board over the past year. I would also like to thank the officials of the Department for Business, Innovation and Skills who have worked diligently and efficiently to prepare cases for our demanding scrutiny.

171. The future shape of aid for job creation has yet to be set. IDAB remains a cautious advocate of targeted support when presented with strong evidence of benefits which will only be obtained by the government's acting. Our view is balanced by awareness of the cost and risks of intervention. Helping to trigger productivity growth through investment in skills training is a high priority.

#### PAUL MULLINS Chairman

172. A list of IDAB and WIDAB members as at 31 March 2015 can be found at Appendix 7.

#### **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 1, 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 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 and Single Investment Funds Schemes

TABLE 1 RSA SCHEME AND SINGLE INVESTMENT FUND $^{(1)}-$  PROJECT GRANTS BY ASSISTED AREAS

APPLICATIONS RECEIVED IN SCOTLAND AND WALES  $^{\scriptscriptstyle{(2)}}$  FROM 1 APRIL 2014 to 31 MARCH 2015

CUMULATIVE APPLICATIONS RECEIVED IN SCOTLAND AND WALES FROM 1 APRIL 2005 to 31 MARCH 2015

	Applications Receiv	Cumulative Applications Received		
	01.04.14 to 31.03.	01.04.05 to 31.03.15		
Country:	No.	Value	No.	Value
		(£000)		(£000)
Scotland <sup>(3)</sup>				
Development Area	-	-	-	-
Intermediate Area	-	-	-	-
Tier 1	-	-	-	-
Tier 2	1	1,191	760	591,927
Total	1	1,191	760	591,927
Wales				
Development Area	-	-	-	-
Intermediate Area	-	-	-	-
Tier 1	-	-	475	322,417
Tier 2	-	-	103	118,444
Total	-	-	578	440,861
Total:				
Development Area	-	-	-	-
Intermediate Area	-	-	-	-
Tier 1	-	-	475	322,417
Tier 2	1	1,191	863	710,371
Total	1	1,191	1,338	1,032,788

 $<sup>^{(1)}</sup>$  Welsh figures incorporate data from the Single Investment Fund Scheme. Scheme closed 31 August 2010.

 $<sup>^{(2)}</sup>$  RSA Scheme closed to new applications in England from 31 March 2004. No applications were received in any country in 2013/14.

<sup>(3)</sup> Scottish figures incorporate data for the Invest for Growth Scheme.

TABLE 2 RSA SCHEME AND SINGLE INVESTMENT FUND $^{(1)}$  – PROJECT GRANTS BY ASSISTED AREA OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2014 TO 31 MARCH 2015 CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 $^{(2)}$  TO 31 MARCH 2015

	Offers Accepted 1.4.14 to 31.3.15								Cumulative Offers Accepted 1.4.05 to 31.3.15					
_		A	ssociated	Forecast Em	ployment <sup>(3)</sup>	Payments			Associated	Forecast Em	ployment <sup>(3)</sup>	Payments		
			Project			1.4.14 to			Project			$1.4.05 \ to$		
	No.	Value	Costs		Safe-	31.3.15	No.	Value	Costs		Safe-	$31.3.15^{(4)}$		
Country		(£000)	(£000)	New	guarded	(£000)		(£000)	(£000)	New	guarded	(£000)		
Great Britain:														
Development Area	-	-	-	-	-	-	-	-	-	-	-	1,321		
Intermediate Area	-	-	-	-	-	-	-	-	-	-	-	7,632		
Tier 1	-	-	-	-	-	4,854	477	305,171	1,261,104	19,012	12,108	302,588		
Tier 2	1	1,191	5,956	-	25	8,845	843	491,963	3,700,030	38,106	25,765	575,694		
Total	1	1,191	5,956	-	25	13,699	1,320	797,134	4,961,134	57,118	37,873	887,235		
Scotland: (6)(7)														
Development Area	_	_	-	-	-	_	_	_	_	-	_	_		
Intermediate Area	_	_	-	_	-	-	_	-	-	-	-	-		
Tier 1	-	_	-	_	-	-	_	-	-	-	-	-		
Tier 2	1	1,191	5,956	-	25	7,045	590	295,808	1,733,900	22,274	13,368	252,843		
Total	1	1,191	5,956	-	25	7,045	590	295,808	1,733,900	22,274	13,368	252,843		
Wales:														
Development Area	-	_	-	_	-	-	_	-	-	-	-	-		
Intermediate Area	-	_	-	-	-	-	_	-	_	-	-	_		
Tier 1	-	-	-	-	-	4,854	428	281,231	1,082,748	16,626	10,109	256,943		
Tier 2	-	-	-	-	-	1,800	107	111,791	1,206,494	7,720	4,933	124,363		
Total	-	-	-	-	-	6,654	535	393,022	2,289,242	24,346	15,042	381,306		
England:(5)(8)														
Development Area	-	_	-	-	-	-	_	-	-	-	-	1,321		
Intermediate Area	-	_	-	-	-	-	_	-	-	-	-	7,632		
Tier 1	-	_	-	-	-	-	49	23,940	178,356	2,386	1,999	45,645		
Tier 2	-	_	-	-	-	-	146	84,364	759,636	8,112	7,464	198,488		
Total	_		_	_	_		195	108,304	937,992	10,498	9,463	253,086		

 $<sup>^{(1)}</sup>$  Welsh Figures incorporate data from the Single Investment Fund Scheme.

<sup>(2)</sup> Information prior to 2005-15 can be obtained from earlier Annual Reports of the Industrial Development Act.

 $<sup>^{(3)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of the offer.

<sup>(4)</sup> Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.

<sup>(5)</sup> Tier 1 and 2 Areas effective from 1 January 2000.

<sup>(6)</sup> Scottish figures incorporate data for the Invest For Growth Scheme.

<sup>(7)</sup> Scottish figures no longer available split by DAs and IAs due to changes in data collection.

 $<sup>^{(8)}</sup>$  English data refers to offers accepted on applications received before the scheme closure in England on 31 March 2004.

TABLE 3 RSA SCHEME AND SINGLE INVESTMENT FUND $^{(1)}$  – PROJECT GRANTS IN GREAT BRITAIN $^{(2)}$  BY TYPE OF INDUSTRY CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 $^{(3)}$  TO 31 MARCH 2015

Standar	d Industrial Classification (SIC) 2003	Cumulative Offers Accepted 1.4.05 to 31.3.15					
				Associated	Forecast	$Employment^{(4)}$	Payments
				Project			1.4.05 to
Class/D	escription	No.	Value	Costs			$31.3.15^{(5)}$
			(£000)	(£000)	New	Safeguarded	(£000)
01-05	Agriculture, hunting, forestry and fishing	5	784	1,821	84	9	1,012
10-14	Mining & Quarrying	3	703	1,929	10	115	1,041
15-37	Manufacturing:						
15-16	Food, beverages & tobacco	77	40,479	169,161	2,136	2,820	50,146
17-19	Textiles, clothing, leather & footwear	26	4,057	20,068	243	579	4,904
20-22	Wood, paper, printing & publishing	97	65,819	475,878	4,562	2,416	66,073
23-25	Coke, petroleum, nuclear fuels, chemicals,	130	129,422	805,893	4,738	6,400	171,978
	m.m.fibres, rubber & plastic						
26	Non-metallic mineral products	32	9,383	87,413	397	945	22,102
27-28	Metals & fabricated metal products	156	61,346	332,095	3,666	3,429	50,473
29	Machinery & equipment nes	62	21,818	85,021	881	2,017	33,132
30-33	Electrical & optical equipment	111	77,749	584,811	4,221	2,907	75,202
34-35	Transport equipment	74	119,258	1,022,988	4,192	8,863	168,251
36-37	Other manufacturing	75	32,479	150,537	1,997	1,259	23,238
40-41	Electricity, gas & water supply	6	12,440	224,622	393	517	11,941
45	Construction	38	11,489	83,489	942	299	9,548
50-52	Wholesale & retail trade, repairs	44	10,002	44,078	1,362	570	22,374
55	Hotels & restaurants	2	7,452	47,488	430	-	8,015
60-64	Transport, storage & communication	41	23,250	102,681	5,233	903	21,952
65-67	Financial intermediation	44	44,886	132,494	6,846	373	43,157
70-74	Real estate, renting & business activities	255	103,715	446,736	12,549	2,252	91,364
75-99	Other Services	42	20,603	141,931	2,236	1,200	11,332
Total		1,320	797,134	4,961,134	57,118	37,873	887,235

 $<sup>^{\</sup>scriptscriptstyle{(1)}}$  Welsh Figures incorporate data from the Single Investment Fund Scheme.

 $<sup>^{(2)}</sup>$  English data relates to offers accepted of applications received before the scheme closure in England on 31 March 2004.

<sup>(3)</sup> Information on closed schemes and on Project Grants prior to 2005-15 can be obtained from earlier Annual Reports of the Industrial Development Act.

 $<sup>^{(4)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of offer.

 $<sup>^{(5)}</sup>$  Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.

TABLE 4 RSA AND SINGLE INVESTMENT FUND  $^{(1)}$  SCHEME – PROJECT GRANTS BY COUNTRY APPLICATIONS, OFFERS ACCEPTED AND PAYMENTS MADE 2011-12 TO 2014-15

		Applicati	ons	Offers Acce	$pted^{\scriptscriptstyle{(2)}}$				
Country:	Financial year of application, acceptance	No.	Value	No.	Value	Associated Project Costs	Forecast	$Employment^{(3)}$	$Payments^{(4)}$
	or payment		(£000)		(£000)	(£000)	New	Safeguarded	(£000)
Great Britain:	2011-12	2	3,480	1	2,710	9,041	20	268	53,235
	2012-13	_	-	-	_	_	-	-	27,393
	2013-14	-	-	-	-	-	-	-	21,499
	2014-15	1	1,191	1	1,191	5,956	-	25	13,699
Scotland:	2011-12	-	-	-	-	-	-	-	22,030
	2012-13	-	-	-	-	-	-	-	8,255
	2013-14	-	-	-	-	-	-	-	5,213
	2014-15	1	1,191	1	1,191	5,956	-	25	7,045
Wales:	2011-12	2	3,480	1	2,710	9,041	20	268	31,205
	2012-13	-	-	-		-	-	-	19,138
	2013-14	-	-	-		-	-	-	16,286
	2014-15	-	-	-		-	-	-	6,654
England:	2011-12	-	-	-		-	-	-	-
	2012-13	-	-	-		-	-	-	-
	2013-14	-	-	-		-	-	-	-
	2014-15	-	-	-		-	-	-	-

<sup>(1)</sup> Welsh figures incorporate data from the Single Investment Fund Scheme.

<sup>(2)</sup> 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.

 $<sup>^{(3)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of offer.

<sup>(4)</sup> Payments made in period shown; includes payment on projects for which offer was accepted in an earlier year.

TABLE 5 RSA AND SINGLE INVESTMENT FUND<sup>(1)</sup> SCHEME – PROJECT GRANTS BY UK AND FOREIGN OWNED COMPANIES
OFFERS AND PAYMENTS FROM 1 APRIL 2014 TO 31 MARCH 2015
CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 TO 31 MARCH 2015

		Off	ers Accepte	d 1.4.14 to 3	1.3.15	·		Cumulati	ive Offers A	ccepted 1.4.05	to 31.3.15	
		A	ssociated	Forecast Em	ployment <sup>(2)</sup>	Payments			Associated	Forecast Em	ployment <sup>(2)</sup>	Payments
			Project			$1.4.14\ to$			Project			1.4.05 to
	No.	Value	Costs		Safe-	31.3.15	No.	Value	Costs		Safe-	$31.3.15^{\scriptscriptstyle{(3)}}$
Country		(£000)	(£000)	New	guarded	(£000)		(£000)	(£000)	New	guarded	(£000)
Great Britain:												
UK Owned	1	1,191	5,956	-	25	5,080	1,034	427,011	2,493,807	36,322	20,673	451,582
Foreign Owned	-	-	-	-	-	8,619	286	370,123	2,467,327	20,796	17,200	435,653
Total	-	-	-	-	-	13,699	1,320	797,134	4,961,134	57,118	37,873	887,235
Scotland:												
UK Owned	1	1,191	5,956	-	25	3,715	446	163,269	931,218	13,788	7,118	144,296
Foreign Owned		-	-	-	-	3,330	144	132,539	802,682	8,486	6,250	108,547
Total	1	1,191	5,956	-	25	7,045	590	295,808	1,733,900	22,274	13,368	252,843
Wales:												
UK Owned	-	-	-	-	-	1,365	452	213,955	1,166,432	15,074	9,764	177,211
Foreign Owned	-	-	-	-	-	5,289	83	179,067	1,122,810	9,272	5,278	204,095
Total		-	-	-	-	6,654	535	393,022	2,289,242	24,346	15,042	381,306
England:(4)												
UK Owned	-	-	-	-	-	-	136	49,787	396,157	7,460	3,791	130,075
Foreign Owned	-	-	-	-	-	-	59	58,517	541,835	3,038	5,672	123,011
Total	-	-	-	-	-	-	195	108,304	937,992	10,498	9,463	253,086

 $<sup>^{\</sup>scriptscriptstyle{(1)}}$  Welsh figures incorporates data from the Single Investment Fund Scheme.

 $<sup>^{(2)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of offer.

 $<sup>^{(3)}</sup>$  Payments made in period shown; includes payments on prior projects for which offer was accepted in an earlier year.

 $<sup>^{(4)}</sup>$  English data relates to offers accepted of applications received before the scheme closure in England on 31 March 2004.

# Statistics Relating to the Selective Finance for Investment in England Scheme

TABLE 1 SELECTIVE FINANCE FOR INVESTMENT IN ENGLAND – TIER 1 AND 2 AREAS PAYMENTS MADE IN TIER 1 AND 2 AREAS FROM 1 APRIL 2014 TO 31 MARCH 2015  $^{(1)}$  CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 TO 31 MARCH 2015

	Payments 01.04.14 to			Associated Project	Forecast	$Employment^{(2)}$	Payments 01.04.05 to
	31.03.15	No.	Value	Costs			31.03.15
Country/Region	(£000)		(£000)	(£000)	New	Safeguarded	(£000)
ENGLAND:							
Tier 1	-	255	49,891	383,686	4,787	3,884	35,246
Tier 2	2,411	1,271	308,227	2,938,825	31,106	27,223	206,589
TOTAL	2,411	1,526	358,118	3,322,511	35,893	31,107	241,835
East:							
Tier 1	-	-	-	-	-	-	-
Tier 2	-	43	12,014	82,897	970	1,161	9,907
TOTAL	-	43	12,014	82,897	970	1,161	9,907
East Midlands:							
Tier 1	-	-	-	-	-	-	-
Tier 2	-	89	16,012	153,855	1,618	1,278	13,074
TOTAL	-	89	16,012	153,855	1,618	1,278	13,074
London:							
Tier 1	-	-	-	-	-	-	-
Tier 2	-	40	16,365	326,149	1,044	2,485	12,328
TOTAL	-	-	-	-	_	_	-
North East:							
Tier 1	-	-	-	-	-	-	-
Tier 2	204	471	94,207	881,719	14,115	7,072	64,725
TOTAL	204	471	94,207	881,719	14,115	7,072	64,725
North West:							
Tier 1	-	82	14,445	166,035	1,616	1,263	11,290
Tier 2	-	194	67,031	483,428	4,897	5,354	43,667
TOTAL	-	276	81,476	649,463	6,513	6,617	54,957
South East:							
Tier 1	-	-	-	-	-	-	-
Tier 2	-	23	9,285	214,365	1,437	2,188	1,590
TOTAL	-	23	9,285	214,365	1,437	2,188	1,590
South West:							
Tier 1	-	42	10,532	39,629	731	784	7,942
Tier 2	115	19	9,617	58,687	375	1,532	7,843
TOTAL	115	61	20,149	98,316	1,106	2,316	15,785
West Midlands:							
Tier 1	-	-	-	-	-	-	-
Tier 2	424	258	50,593	418,184	4,778	3,369	30,176
TOTAL	-	258	50,593	418,184	4,778	3,369	30,176
Yorkshire and Humberside:							
Tier 1	-	131	24,914	178,022	2,440	1,837	16,014
Tier 2	1,668	134	33,103	319,541	1,872	2,784	23,279
TOTAL	1,668	265	58,017	497,563	4,312	4,621	39,293

 $<sup>^{(1)}</sup>$  The Selective Finance for Investment in England scheme closed to new applications on 22 October 2008.

 $<sup>^{(2)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of offer.

TABLE 2 SELECTIVE FINANCE FOR INVESTMENT IN ENGLAND  $^{(1)}$  BY TYPE OF INDUSTRY – TIER 1 AND 2 AREAS CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 TO 31 MARCH 2015

Standard	Industrial Classification (SIC) 2003						
				Associated Project	Forecast	$Employment^{(2)}$	Payments 01.04.05 to
Class/Des	scription	No.	Value	Costs			31.03.15
			(£000)	(£000)	New	Safeguarded	(£000)
01-05	Agriculture, hunting, forestry and fishing	2	750	5,151	310	6	75
10-14	Mining & Quarrying	1	1,350	14,288	105	-	-
15-37	Manufacturing:						
15-16	Food, beverages & tobacco	97	24,403	389,579	3,651	1,957	15,111
17-19	Textiles, clothing, leather & footwear	23	2,781	21,357	380	200	2,082
20-22	Wood, paper, printing & publishing	94	16,623	148,123	1,255	1,816	12,573
23-25	Coke, petroleum, nuclear fuels, chemicals, m.m.fibres, rubber & plastic	133	32,234	328,511	1,827	3,331	25,442
26	Non-metallic mineral products	33	7,402	71,582	236	851	6,251
27-28	Metals & fabricated metal products	373	58,858	387,795	4,403	6,143	41,194
29	Machinery & equipment nes	75	13,262	90,654	767	1,966	7,933
30-33	Electrical & optical equipment	80	22,699	94,026	1,365	1,123	9,086
34-35	Transport equipment	63	50,619	714,822	2,623	5,717	41,505
36-37	Other manufacturing & recycling	121	21,219	216,443	2,311	2,036	14,449
40-41	Electricity, gas & water supply	4	2,549	60,564	672	499	-
45	Construction	61	9,322	62,953	1,626	524	4,493
50-52	Wholesale & retail trade, repairs	81	10,625	90,842	1,315	602	7,844
55	Hotels & restaurants	2	150	1,400	45	-	-
60-64	Transport, storage & communication	24	5,940	23,689	689	306	3,899
65-67	Financial intermediation	13	14,906	146,649	2,957	1,376	10,895
70-74	Real estate, renting & business activities	129	32,216	186,957	4,809	1,743	24,663
74	Call Centre Activities	70	21,130	145,740	3,184	635	9,656
75-99	Other Services	47	9,080	121,386	1,363	276	4,684
Total		1,526	358,118	3,322,511	35,893	31,107	241,835

 $<sup>^{(1)}</sup>$  The Selective Finance for Investment in Enland scheme closed to new applications on 22 October 2008.

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

TABLE 3 SELECTIVE FINANCE FOR INVESTMENT IN ENGLAND (1) BY UK AND FOREIGN OWNED COMPANIES – TIER 1 AND 2 AREAS PAYMENTS FROM 1 APRIL 2014 TO 31 MARCH 2015 CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 TO 31 MARCH 2015

			Cumulativ	e Offers Accepted	01.04.05 to 3	1.03.15	
	Payments			Associated	Forecast	$Employment^{(2)}$	Payments
	01.04.14 to			Project			01.04.05 to
	31.03.15	No.	Value	Costs			31.03.15
	(£000£)		(£000)	(£000)	New	Safeguarded	(£000)
ENGLAND:							
UK Owned	184	1,315	194,970	1,746,925	24,869	15,037	131,097
Foreign Owned	2,227	211	163,148	1,575,586	11,024	16,070	110,738
Total	2,411	1,526	358,118	3,322,511	35,893	31,107	241,835
East:							
UK Owned	-	39	8,698	60,868	853	795	6,592
Foreign Owned	-	4	3,316	22,029	117	366	3,315
Total	-	43	12,014	82,897	970	1,161	9,907
East Midlands:							
UK Owned	-	80	13,717	135,944	1,474	1,092	10,851
Foreign Owned	-	9	2,295	17,911	144	186	2,223
Total	-	89	16,012	153,855	1,618	1,278	13,074
London:							
UK Owned	-	33	7,581	94,961	880	992	5,023
Foreign Owned	-	7	8,784	231,188	164	1,493	7,305
Total	-	40	16,365	326,149	1,044	2,485	12,328
North East:							
UK Owned	69	394	53,628	590,962	9,553	3,586	35,507
Foreign Owned	135	77	40,579	290,757	4,562	3,486	29,218
Total	204	471	94,207	881,719	14,115	7,072	64,725
North West:							
UK Owned	-	237	34,426	253,243	4,556	2,400	21,510
Foreign Owned	-	39	47,050	396,220	1,957	4,217	33,447
Total	-	276	81,476	649,463	6,513	6,617	54,957
South East:							
UK Owned	-	17	5,130	146,884	585	1,437	1,178
Foreign Owned	-	6	4,155	67,481	852	751	412
Total	-	23	9,285	214,365	1,437	2,188	1,590
South West:							
UK Owned	115	53	14,123	65,872	985	875	10,681
Foreign Owned	-	8	6,026	32,444	121	1,441	5,104
Total	115	61	20,149	98,316	1,106	2,316	15,785
West Midlands:							
UK Owned	-	236	29,377	189,255	3,134	1,885	20,404
Foreign Owned	424	22	21,216	228,929	1,644	1,484	9,772
Total	424	258	50,593	418,184	4,778	3,369	30,176
Yorkshire and Humberside:				·			
UK Owned	-	226	28,290	208,936	2,849	1,975	19,351
Foreign Owned	1,668	39	29,727	288,627	1,463	2,646	19,942
Total	1,668	265	58,017	497,563	4,312	4,621	39,293

 $<sup>^{(1)}</sup>$  The Selective Finance for Investment in England scheme closed to new applications on 22 October 2008.

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

TABLE 4 SELECTIVE FINANCE FOR INVESTMENT IN ENGLAND  $^{\scriptscriptstyle (1)}$  – TIER 3 CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 1 APRIL 2005 TO 31 MARCH 2015

		Cumulativ	e Offers Accepted	01.04.05 to 3	1.03.15	
			Associated Project	$Forecast\ Employment^{(2)}$		Payments $01.04.05 to$
	No.	Value	Costs			31.03.15
		(£000)	(£000)	New	Safeguarded	(£000)
ENGLAND:	411	24,494	236,914	2,938	1,784	17,763
East:	42	2,655	24,031	191	131	1,706
East Midlands:	62	4,394	42,947	546	300	3,284
London:	33	1,912	20,214	546	252	957
North East:	22	1,287	9,973	256	52	1,007
North West:	58	3,344	35,865	507	298	3,262
South East:	36	2,679	22,257	206	241	1,848
South West:	11	681	5,504	153	32	422
West Midlands:	88	5,425	46,972	337	383	2,919
Yorkshire and Humberside	59	2,117	29,151	196	95	2,358

 $<sup>^{(1)}</sup>$  The Selective Finance for Investment in England Scheme closed to new applications on 22 October 2008. No payments were made in 2014/15

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

## Statistics Relating to the Grant for Business Investment Scheme

TABLE 1 GRANT FOR BUSINESS INVESTMENT – TIER 1 AND 2 AREAS PAYMENTS MADE FROM 1 APRIL 2014 TO 31 MARCH  $2015^{(1)}$  CUMULATIVE OFFERS ACCEPTED AND PAYMENTS MADE FROM 23 OCTOBER 2008 TO 31 MARCH 2015

	Payments 01.04.14 to			Associated Project	Forecast	$Employment^{(2)}$	Payments 23.10.08
	31.03.15	No.	Value	Costs			31.03.15
Country/Region	(£000)		(£000)	(£000)	New	Safeguarded	(£000)
ENGLAND:							
Tier 1	-	12	3,067	14,743	217	91	494
Tier $2^{(3)}$	12,296	384	293,238	3,244,462	13,612	8,206	143,488
TOTAL	12,296	396	296,305	3,259,205	13,829	8,297	143,982
East:							
Tier 1	-	-	-	-	-	-	
Tier 2	-	6	828	7,920	129	5	417
TOTAL	-	6	828	7,920	129	5	417
East Midlands:							
Tier 1	-	-	-	-	-	-	
Tier 2	-	27	6,691	69,646	590	327	4,855
TOTAL	-	27	6,691	69,646	590	327	4,855
London:							
Tier 1	-	-	-	-	-	-	
Tier 2	-	-	-	-	-	-	
TOTAL	-	-	-	-	-	-	
North East:							
Tier 1	-	-	-	-	-	-	
Tier 2	6,914	147	82,616	861,993	7,020	2,203	55,800
TOTAL	6,914	147	82,616	861,993	7,020	2,203	55,800
North West:							
Tier 1	-	-	-	-	-	-	
Tier 2	-	55	41,303	287,845	1,872	2,547	29,289
TOTAL	-	55	41,303	287,845	1,872	2,547	29,289
South East:							
Tier 1	-	-	-	-	-	-	-
Tier 2	-	3	691	4,511	39	23	524
TOTAL	-	3	691	4,511	39	23	524
South West:							
Tier 1	-	12	3,067	14,743	217	91	494
Tier 2	281	7	4,318	28,477	134	333	4,577
TOTAL	281	19	7,385	43,220	351	424	5,071
West Midlands:							
Tier 1	-	-	-	-	-	-	-
Tier 2	4,689	90	27,763	390,623	1,998	1,047	20,748
TOTAL	4,689	90	27,763	390,623	1,998	1,047	20,748
Yorkshire and Humberside:							
Tier 1	-	-	-	-	-	-	
Tier 2	412	49	129,028	1,593,447	1,830	1,721	27,278
TOTAL	412	49	129,028	1,593,447	1,830	1,721	27,278

<sup>(1)</sup> Grant for Business Investment scheme replaced Selective Finance for Investment in England on 23 October 2008.

 $<sup>^{(2)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of offer.

 $<sup>^{\</sup>scriptscriptstyle{(3)}}$  Data excludes one offer of assistance made and subsequently with drawn.

TABLE 2 GRANT FOR BUSINESS INVESTMENT BY TYPE OF INDUSTRY – TIER 1 AND 2 AREAS CUMULATIVE OFFERS ACCEPTED AND PAYMENTS MADE FROM 23 OCTOBER 2008 TO 31 MARCH  $2015^{\scriptscriptstyle{(1)}(2)}$ 

Standard	Industrial Classification (SIC) 2003						
Class/Des	scription	No.	Value	Associated Project Costs	Forecast	$Employment^{(3)}$	Payments 23.10.08 to 31.03.15
	•		(£000)	(£000)	New	Safeguarded	(£000)
01-05	Agriculture, hunting, forestry and fishing	2	230	1,560	36	8	60
10-14	Mining & Quarrying	-	-	-	-	-	-
15-37	Manufacturing:						
15-16	Food, beverages & tobacco	28	10,001	56,330	1,127	511	8,164
17-19	Textiles, clothing, leather & footwear	6	856	4,877	54	77	894
20-22	Wood, paper, printing & publishing	25	4,408	1,025,877	362	251	2,690
23-25	Coke, petroleum, nuclear fuels, chemicals, m.m.fibres, rubber & plastic	39	29,287	628,109	1,662	844	18,479
26	Non-metallic mineral products	6	379	2,746	28	33	672
27-28	Metals & fabricated metal products	88	96,820	215,555	1,409	1,934	10,398
29	Machinery & equipment nes	17	15,396	67,293	136	372	7,143
30-33	Electrical & optical equipment	29	10,327	82,548	686	608	5,675
34-35	Transport equipment	31	87,694	763,798	1,887	2,862	55,576
36-37	Other manufacturing & recycling	20	1,761	9,277	318	78	10,927
40-41	Electricity, gas & water supply	1	96	750	8	-	206
45	Construction	12	2,685	20,823	242	54	2,159
50-52	Wholesale & retail trade, repairs	11	1,218	6,650	162	4	1,333
55	Hotels & restaurants	-	-	-	-	-	40
60-64	Transport, storage & communication	5	4,411	73,959	791	20	930
65-67	Financial intermediation	1	249	837	70	-	200
70-74	Real estate, renting & business activities	42	15,128	120,521	1,732	228	11,783
74	Call Centre Activities	20	8,765	60,817	2,356	356	3,887
75-99	Other Services	13	6,594	116,878	763	57	2,766
Total		396	296,305	3,259,205	13,829	8,297	143,982

 $<sup>^{(1)}</sup>$  Grant for Business Investment scheme replaced Selective Finance for Investment in England on 23 October 2008.

<sup>&</sup>lt;sup>(2)</sup> Data excludes one offer of assistance made and subsequently withdrawn.

 $<sup>^{\</sup>scriptscriptstyle{(3)}}$  Forecast employment figures are based on company forecasts for the project at the time of offer.

TABLE 3 GRANT FOR BUSINESS INVESTMENT BY UK AND FOREIGN OWNED COMPANIES – TIER 1 AND 2 AREAS PAYMENTS MADE FROM 1 APRIL 2014 TO 31 MARCH  $2015^{(1)}$  CUMULATIVE OFFERS ACCEPTED AND PAYMENTS MADE FROM 23 OCTOBER 2008 TO 31 MARCH 2015

			Cumulativ	e Offers Accepted	23.10.08 to 3	1.03.15	
	Payments			Associated	Forecast	$Employment^{(3)}$	Payments
	01.04.14 to			Project			23.10.08 to
	31.03.15	No.	Value	Costs			31.03.15
	(£000)		(£000)	(£000)	New	Safeguarded	(£000)
ENGLAND:							
UK Owned	4,231	319	191,044	1,088,664	8,376	3,461	77,212
Foreign Owned	8,065	77	105,261	2,170,541	5,453	4,836	66,770
Total	12,296	396	296,305	3,259,205	13,829	8,297	143,982
East:						· · · · · · · · · · · · · · · · · · ·	· · · · · ·
UK Owned	-	5	780	6,870	65	5	417
Foreign Owned	-	1	48	1,050	64	-	-
Total	-	6	828	7,920	129	5	417
East Midlands:							
UK Owned	-	17	3,289	30,483	396	26	2,348
Foreign Owned	-	10	3,402	39,163	194	301	2,507
Total	-	27	6,691	69,646	590	327	4,855
London:				· · · · · · · · · · · · · · · · · · ·		,	,
UK Owned	-	_	_	_	-	_	-
Foreign Owned	-	-	-	-	-	-	_
Total	-	-	-	-	-	-	_
North East:							
UK Owned	3,827	115	41,278	353,939	4,311	966	34,764
Foreign Owned	3,087	32	41,338	508,054	2,709	1,237	21,036
Total	6,914	147	82,616	861,993	7,020	2,203	55,800
North West:				· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	
UK Owned	-	45	8,887	59,302	1,029	454	4,668
Foreign Owned	-	10	32,416	228,543	843	2,093	24,621
Total	-	55	41,303	287,845	1,872	2,547	29,289
South East:			· · · · · · · · · · · · · · · · · · ·				
UK Owned	-	3	691	4,511	39	23	524
Foreign Owned	-	-	-	-	-	-	-
Total	-	3	691	4,511	39	23	524
South West:				· · · · · · · · · · · · · · · · · · ·			
UK Owned	-	14	3,217	14,400	212	233	1,329
Foreign Owned	281	5	4,168	28,820	139	191	3,742
Total	281	19	7,385	43,220	351	424	5,071
West Midlands:							
UK Owned	363	81	9,480	53,497	726	604	8,850
Foreign Owned	4,326	9	18,283	337,126	1,272	443	11,898
Total	4,689	90	27,763	390,623	1,998	1,047	20,748
Yorkshire and Humberside:				· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·	
UK Owned	41	39	123,422	565,662	1,598	1,150	24,312
Foreign Owned	371	10	5,606	1,027,785	232	571	2,966
Total	412	49	129,028	1,593,447	1,830	1,721	27,278

 $<sup>^{(1)}</sup>$  Grant for Business Investment scheme replaced Selective Finance for Investment in England on 23 October 2008.

<sup>&</sup>lt;sup>(2)</sup> Data excludes one offer of assistance made and subsequently withdrawn.

<sup>(3)</sup> Forecast employment figures are based on company forecasts for the project at the time of offer.

TABLE 4 GRANT FOR BUSINESS INVESTMENT – TIER 3 PAYMENTS FROM 1 APRIL 2014 TO 31 MARCH  $2015^{(1)}$  CUMULATIVE OFFERS ACCEPTED AND PAYMENTS FROM 23 OCTOBER 2008 TO 31 MARCH 2015

			Cumulativ	e Offers Accepted	23.10.08 to 3	1.03.15	
	Payments			Associated	Forecast	$Employment^{(2)}$	Payments
	01.04.14 to			Project			23.10.08 to
	31.03.15	No.	Value	Costs			31.03.15
	(£000£)		(£000)	(£000)	New	Safeguarded	(£000)
ENGLAND:	154	211	21,648	173,638	2,095	1,361	13,017
East:	-	19	1,291	8,439	103	11	1,689
East Midlands:	-	27	3,909	34,145	430	57	2,579
London:	-	-	-	-	-	-	-
North East:	-	14	610	4,413	171	36	443
North West:	-	53	6,379	48,670	532	552	3,854
South East:	-	22	2,310	16,537	207	144	861
South West:	70	5	835	8,004	26	174	370
West Midlands:	84	48	4,875	37,558	493	287	2,428
Yorkshire and Humberside:	-	23	1,439	15,872	133	100	793

 $<sup>^{(1)}</sup>$  The Selective Finance for Investment in England Scheme closed to new applications on 22 October 2008.

 $<sup>^{(2)}</sup>$  Forecast employment figures are based on company forecasts for the project at the time of offer.

## Statistics Relating to the Repayable Business Finance Scheme

## TABLE 1 REPAYABLE BUSINESS FINANCE IN WALES<sup>(1)</sup> OFFERS ACCEPTED FROM 1 APRIL 2014 TO 31 MARCH 2015

	Offers	Offers Accepted 1.4.14 to 31.3.15				
			Associated			
			Project			
	No.	Value	Costs			
Country/Region		(£000)	(£000£)			
Wales:	16	80,831	397,649			

 $<sup>^{\</sup>scriptscriptstyle{(1)}}$  The Repayable Business Finance Scheme is a Welsh Government scheme.

## Statistics Relating to the Regional Growth Fund to 31 March 2015

#### Summary of all RGF finalised awards

		Payments under	Payments under	Number of	Total
Number of		$Section \ 7 \ in$	Section 8 in	payments made in	payments
$finalised\ awards$	$Value\ (\pounds m)$	$2014/15~(\pounds m)$	$2014/15  (\pounds m)$	$respect\ of\ all\ awards$	$(\pounds m)$
470	2,824	137	230	1,691	2,055

#### Summary of RGF awards by bidding round

Round	Number of finalised awards	Value (£m)	Payments under Section 7 in 2014/15 (£m)	Payments under Section 8 in 2014/15 (£m)	Number of payments made (all years)	Total payments (all years £m)
1	49	381	6	2	197	323
2	129	691	38	16	567	719
3	101	807	48	116	577	675
4	71	315	15	87	275	278
5	46	275	9	5	48	19
6	52	248	0	0	0	0
eRGF	22	107	21	4	27	41

#### Summary of RGF awards by region

Region	$Number\ Finalised\ awards$	Value (£m) of finalised awards
North West	86	424
North East	94	314
Yorkshire & the Humber	49	276
West Midlands	74	399
East Midlands	27	156
East of England	17	103
South East (including London)	31	153
South West	48	236
National	44	763

Notes

Project/programme region used is as recorded on the Management Information (MI) database.

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

The names below represent the position at 31 March 2015.

#### Welsh Industrial Development Advisory Board

Chairman

Ms K Diamond

Chief Financial Officer, Zytek Group Ltd

Members

Mr D Williams

Retired Area Director, HSBC Bank

Mr A Proctor

Non-Executive Director Department of Business Innovation & Skills, National Metrology Office

Mr M Greenway OBE

Senior Commercial Consultant

Dr J Macpherson

Independent Biotech Entrepreneur

Dr R Hayward

Aberystwyth University, and Rhian Hayward Consulting Ltd

Mr M Macphail

Retired Director of Engineering; Tata Steel Europe

#### **Industrial Development Advisory Board**

Chairman

Mr Paul Mullins

 $Chairman, Education\ and\ Training\ Foundation;\ member\ of\ AMSCI\ Investment\ Board;\ formerly\ a\ mergers\ and\ acquisitions\ adviser\ with\ Schroders,\ Citigroup,\ Bank\ of\ America\ and\ DC\ Advisory\ Partners$ 

Members

Mr Nigel Brooksby

 $Chairman, Clinical\ Insights\ Ltd; Non-Executive\ Chairman, Prism\ Pharma\ Ltd; Director, Volution\ Immuno\ Pharma\ and\ Stabilitech\ Ltd$  Mr Hugh Brown

UK Senior Advisor; Anchorage Capital; former Global Head, PwC Corporate Finance

Ms Nicola Foulston

Chairman, VV Capital

Professor Chris Higson

Professor in Accounting at London Business School

Mr Christopher Kinsella

Former Chief Executive, the Chartered Management Institute; former Chief Financial Officer, the Dyson Group plc, TI Automotive and the British Council; Board member, Sheffield Hallam University and SW Ambulance NHS Trust

Mr Charles Lochrane

Former Partner, Strutt & Parker; commercial surveyors

Ms Sybella Stanley

Director of Corporate Finance, Reed Elsevier Group plc

Mr Philip Sturrock

 $Chairman, Pancathay\ Consulting\ Ltd; Former\ Chairman\ and\ CEO, The\ Continuum\ International\ Publishing\ Group\ Ltd$ 

Ms Gillian Wilmot

Founder and CEO of Board Mentoring; Non-Executive Director, NISA Retail and Elexon

Professor Vikas Shah

Managing Director of Swiscot Group, visiting Professor of Entrepreneurship with MIT Sloan

## **Resolutions Under Section 8, 2014/15**

Date	Scheme	Amount
08 April 2014	British Business Bank Programmes (Business Angel Co-Investment Fund¹ and Start-Up Loans Programme²)	up to £100 million and up to £380 million respectively
24 June 2014	Venture Capital Funds <sup>3</sup>	up to £100 million
09 July 2014	EU Emissions Trading System and Carbon Price Floor <sup>4</sup>	up to £300 million

See paragraphs 66-69
See paragraphs 61-65
See paragraphs 52-54
See paragraph 93-96

