

REPORT TO: CITY DEVELOPMENT COMMITTEE – 25 AUGUST 2014

REPORT ON: REGIONAL AID – ASSISTED AREAS MAP 2014-2020

REPORT BY: DIRECTOR OF CITY DEVELOPMENT

REPORT NO: 290-2014

1 PURPOSE OF REPORT

- 1.1 This report provides information regarding the revised Assisted Areas Map 2014-2020. The new map came into force on 1 July 2014 and Dundee City has retained Assisted Areas status ensuring that regional aid can continue to be offered to encourage business growth.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the contents of this report.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from this report.

4 BACKGROUND

- 4.1 Assisted Areas are those places in less economically advantaged locations where regional aid can be offered to undertakings, typically businesses, under state aid rules. This support is to encourage business growth, which can positively affect these locations and the whole UK economy.
- 4.2 The previous Assisted Areas Map covered the period 2007-2013. (later extended to June 2014). The map was built using single member ward boundaries in force in 2006.
- 4.3 In Scotland, support to businesses that operate within Assisted Areas is available on a discretionary basis under the Regional Selective Assistance scheme operated by Scottish Enterprise.
- 4.4 Between 2007 and 2013 a total of £20.8 million in Regional Selective Assistance was awarded to 47 companies to support the creation of 1,560 jobs and the safeguarding of 549 jobs in Dundee.
- 4.5 New Regional Aid Guidelines were approved by the European Commission in 2013 and the UK Government (working alongside the devolved administrations in Scotland and Wales) carried out a 2 stage consultation exercise in 2013 to draft a revised Assisted Areas Map for the UK.
- 4.6 The City Development Department coordinated Dundee City Council's response to the consultation exercise and provided evidence to support continued coverage for the city.
- 4.7 The Scottish Government specified that the building blocks for the new map should continue to be the historic single member ward boundaries (in force in 2006). Dundee City Council put forward a case for coverage of 22 single member wards where land is designated for employment purposes.
- 4.8 On 30 April 2014 the UK Government published the 2014-2020 Assisted Areas Map. This included coverage for all 22 wards proposed in Dundee City Council's consultation response (See Appendix 1).

- 4.9 The European Commission approved the UK's proposals on 21 May 2014 and the revised map came into force on 1 July 2014.
- 4.10 From 1 July 2014, aid limits against capital expenditure for companies who successfully apply for Regional Selective Assistance are as follows:

Regional Selective Assistance Maximum Aid Limits			
	Small (Up to 50 Employees)	Medium (51-250 Employees)	Large (250+ Employees)
"C" Areas	30%	20%	10%

- 4.11 RSA is a discretionary grant scheme operating across Scotland but governed by Regional Selective Assistance guidelines set down by the European Commission. Both indigenous and foreign companies can apply. The overall purpose of the scheme is to create or safeguard jobs across Scotland.
- 4.12 From 1 July 2014 large companies (250+ employees) can only apply where the project involves new activity. This may include location in a new assisted area or diversification at an existing location.
- 4.13 RSA is open to manufacturing and service sector projects serving more than a local market. It is not available where customers come from the nearby area and have a wide choice of where to buy the product/service eg retail, restaurants, hotels, childcare, trades people, professional services.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6 CONSULTATIONS

- 6.1 The Chief Executive, the Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 None.

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18 August 2014

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Assisted Areas Coverage 2014-2020

