Local Government and Regeneration Committee
Regeneration Inquiry

SCOTTISH ENTERPRISE (SCOTENT)
RESPONSE TO SUPPLEMENTARY QUESTIONS

1. Information on the framework used by Scottish Enterprise in terms of investment and involvement in the “national initiatives” you referred to during the meeting (Clyde Waterfront etc.).


This framework does not suggest specific projects for investment but rather indicates outputs and outcomes that will contribute towards the economic growth of Scotland (the measurement framework can be found on page 39 of the 2013-16 Business Plan). As stated in our supplementary evidence, we do not have explicit regeneration objectives but our activities in meeting our objectives can have regeneration outcomes.

2. Clarification on the level of investment by Scottish Enterprise in these initiatives and in projects in regeneration areas.

Total investment in the major projects referred to in the session as follows:

- Clyde Waterfront - £118m in the period 2003 – 2013
- Dundee Waterfront - £25m in the period 2009 – 2013
- Energetica - £12m in 2013
- Ravenscraig and Gartcosh - £47m in the period 1997 – 2013

3. Amount of Scottish Enterprise expenditure on 4 West Coasts URCs and how Scottish Enterprise evaluates the value for money invested against the performance of the URCs.

Total SE investment in the URCS was approximately £66m, split as follows:

- Clyde Gateway £26m
- Irvine Bay £10m
- Riverside Inverclyde £14m
- Clydebank Rebuilt £16m

During the period in which SE funded URCS we undertook an annual reconciliation of each URC against its specific economic development outputs – e.g. derelict land cleared or business accommodation created. The last annual evaluation was carried out by EKOSGEN in September 2012 and we can make a copy available to the Committee if they wish to see it.

4. Recently, Scottish Enterprise reported that £1 billion added value was generated by the companies that you support. How much of that £1 billion can be directly attributed to Scottish Enterprise activity?

We announced in early September that our account managed companies generated combined turnover growth of £1 billion in the last year. These companies increased their cumulative turnover by 8% between April 2012 and March 2013, growing from £12.7 billion to £13.7 billion and generating 2622 new jobs, an increase of 1.3% during the year.

We report on this turnover growth as it forms a key measure in our business plan objectives and serves as a short-term indicator of the performance of the companies we support.
In addition to this end of year turnover growth reporting, every three years we evaluate our account management approach with companies. This evaluation evidence allows us to delve deeper into the nature of the strategic relationship we have with our companies and provides more detailed information on our impact on company growth performance. The evaluation also identifies the net additional gross value add (GVA) to the Scottish economy resulting from our support to companies.

Over the four year period last evaluated (2008/9 to 2011/12), independent research found that our account management support generated an additional £1.1 billion GVA to the Scottish economy, supporting and creating an estimated additional 15,130 jobs. The report also identified that for every pound spent on account management support to a company, it generates £5.30 for the Scottish economy.

The evaluation report also explored the various ways in which we assist companies to achieve their growth plans, and found that:

- 80% of companies state that SE has influenced their company strategy development
- half of companies say SE has helped them enter a new international market
- 40% state that they've increased sales in existing overseas markets with SE assistance
- three quarters of companies report that they're spending more on innovation because of SE support
- 70% of businesses say that their productivity has improved with SE help
- companies report that SE support has been critical in helping them mitigate the recession

Applying the results of the 2010/11 evaluation to the current year turnover, we can estimate that around a quarter of the 2012/13 account managed companies' turnover growth is directly attributable to our support.