



Working for England's World Class Region

24th July 2007

Our ref: R00008

FREEDOM OF INFORMATION REQUEST – SELECTIVE FINANCE FOR INVESTMENT

Your Request:

Please advise whether SEEDA has ever previously asked an SFIE/RSA/Enterprise grant applicant to verify their employee levels by the applicant submitting to the Agency the personal National Insurance numbers of the employees at the applicant.

- If so, how many of these applicants complied with this request and submitted this information to SEEDA;*
- How many of the applicants requested to submit this data went on to be offered SFIE/RSA/Enterprise grants;*
- Can SEEDA name the applicants to whom this information was requested from and if appropriate submitted from.*
- if the request (both previous and future) for National Insurance numbers is a compulsory European Commission Directive for applicants to the new SFIE scheme where job creation is involved? If so – where can evidence of this Directive be found?*

Information Response:

SEEDA has spoken to you about your request and it has been agreed that the response would cover all applications above £100,000 since applications below that level do not require job creation as a criteria.



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SEEDA took over the responsibility for Regional Selective Assistance from the Government Office for the South East in April 2002. I can confirm that SEEDA has asked for National Insurance numbers from all successful RSA/SFIE grant applicants (over £100,000), including the cases that were inherited by the Agency. This totals 16 cases.

Of these 16 cases:

- 3 applicants were offered grants but subsequently withdrew;
- 4 applicants have yet to draw down their grant but have been asked for National Insurance numbers (in 2 of these cases National Insurance numbers have been submitted);
- 9 applicants have drawn down grant and submitted National Insurance numbers.

We are able to list all companies who have accepted a formal grant offer of above £100,000. Please see the attached list.

In response to your final question in regard to European Directive, we have sought advice from the Department of Business, Enterprise and Regulatory Reform (BERR). The Commission does not require Member States to collect NI (or identity) numbers. However, in Regulation 1628/2006 on national regional investment aid, the Regulation under which SFIE has been notified, it defines "job creation" to mean:

“a net increase in the number of annual labour units (ALU) directly employed in a particular establishment compared with the average over the previous 12 months; ALU are the number of persons employed full time in one year, part-time and seasonal work being ALU fractions”.

In the UK, the guidelines define this as “Employees are those workers with national insurance contributions paid by the applicant plant (or by the enterprise in which the applicant belongs)”.

To comply with this BERR requires that any employment associated with SFIE support must be auditable. BERR does not specify how the auditing must be done and the RDA has the discretion with regard to the specific approach.