

**Overview and Scrutiny Economic Development and Enterprise Committee**  
**13 August 2007**  
**Item 8 Appendix 1**

EXE 24 10 06

**LOCAL AUTHORITY BUSINESS GROWTH INCENTIVES SCHEME (LABGI)**

**EXECUTIVE MEMBER:** Cllr Cath Giel  
**LEAD OFFICER:** Mike Tichford  
**REPORT AUTHOR:** Graham McWilliam

**Summary:** The report provides some background information on the Local Authority Business Growth Incentives (LABGI) scheme and details a range of projects to utilise the funding, to the benefit of the Copeland economy.

**Recommendation:** Members are requested to approve the programme as detailed in the report. The programme will be managed by Fergus McMorro, Corporate Director (Economic Prosperity and Sustainability) as delegated from The Executive.

**Impact on delivering the Corporate Plan:** The LABGI funding will be used to support the Council's objective to create and sustain a healthy local economy.

**Impact on other statutory objectives (e.g. crime & disorder, LA21):** It is expected that elements of the programme will help to create new job opportunities in deprived wards.

**Financial and human resource implications:** The funding of £161k from the LABGI scheme has already been received by the Council. It is expected that the Council funding will lever in an additional £276k of private and public sector funding, giving a total programme value of £437k to the Copeland economy. Full details of the breakdown of funding is given in Appendix A.

**Project & Risk Management:** Any programme without secure funding will be held back. Spending will not commence until full project funding is secured

**Key Decision Status**

- **Financial:** No  
- **Ward:** N/A

**Other Ward Implications:** The programme of initiatives will impact on all wards in Copeland

**1. INTRODUCTION**

1.1 The scheme allows local authorities to retain a share of increased business rates revenue generated in their area. By creating a direct financial incentive for local authorities to encourage business growth in their locality, LABGI provides the opportunity for local government and business to work together to deliver economic success and prosperity to their local community.

1.2 An earlier report was presented to the June Executive which gave full details of the scheme.

## **2. ARGUMENT**

2.1 LABGI will give local authorities a direct financial incentive to encourage business in their areas, by allowing them to retain a proportion of revenues created by increasing business growth above a predetermined floor. Copeland has received £161k for the financial year 2006/07.

2.2 The scheme puts in place the right incentives for local government work towards and promote economic growth. This will encourage local government to build effective partnerships with local business to deliver increased prosperity and long-term economic sustainability of its area.

## **3. OPTIONS TO BE CONSIDERED**

3.1 At the meeting of the Executive on 13<sup>th</sup> June 2006, a draft programme of initiatives was approved subject to further details being provided later in the year. Further details of the programme are detailed in the following paragraphs.

### **3.2 Enterprise Development Programme**

This is a joint project with Allerdale Borough Council to encourage more people in deprived wards to consider self employment as a career option. The scheme would involve the recruitment of enterprise development workers, encouraging enterprise in South Whitehaven and Cleator Moor. The Council will work closely with the South Whitehaven Partnership and Cleator Moor Business Centre in the delivery of this project.

At present a joint bid with Allerdale Borough Council has been approved by West Lakes Renaissance for funding from Europe and the NWDA. The bid is being appraised currently and a decision is expected at the end of September. The project aims to recruit 4 full-time Enterprise Development Workers to help develop and promote community enterprise activity that will benefit the residents of the area by encouraging and supporting entrepreneurship and self employment. The project aims to generate 15 start-up businesses per year and an additional 10 jobs within these businesses per annum. It is proposed to allocate £60k to this initiative.

### **3.3 Partnership Project with St. Martin's College**

This proposed initiative involves the Council paying a 50% wage subsidy to Copeland businesses employing under-graduate students and graduates under the following programmes provided by St. Martin's College, who are shortly to become the new University of Cumbria.

- Business placement programme
- Graduate recruitment programme
- Graduate apprenticeship programme in outdoor education and development training

The Copeland subsidy will provide an average of £700 to each participating business in Copeland. It is proposed to support up to 20 local businesses, in the first year of the scheme. Preference will be given to Copeland students and graduates with the aim of the Council beginning to address the issue of the loss of talented young people out of the borough.

It is proposed to allocate £16k to this initiative which builds on an established programme that has worked well in South Lakeland and Eden.

### **3.4 Business Development Initiatives (Cleator Moor, Egremont and Millom)**

This project involves each of the three town's business networks developing a programme to address their own needs.

i. Cleator Moor:

Cleator Moor does not currently have a business network in place. The Chamber of Trade ceased to exist around 18 months ago.

The North East Copeland Regeneration Partnership are proposing to utilise their funding to establish a business forum and develop a series of projects including the creation of a sales portal on the Cleator Moor.com website, running local events such as a specialised market day, and a 'Shop Local' campaign to encourage people to purchase local goods in their community.

ii. Millom:

The Millom Business Forum was launched in December 2005 with 75 local businesses attending the first meeting. The forum proposes to utilise funding from the Council to recruit a Support Officer to work for 14 hours a week to promote the work of the forum and organise meetings and business events. The forum is also keen to undertake a business survey in the town and develop a local business directory.

iii. Egremont:

Egremont has established a business network under the auspices of the market town initiative. The network has identified a number of projects including a community printing facility, an Egremont business magazine, and the development of a fair trading directory of local stockists. In addition, it is proposed to develop a website to encourage visitors to the town. In order to ensure market demand exists for these services, it is proposed to initially undertake some market research, utilising some of the Council's funding.

It is proposed to allocate £30k to this programme (£10k to each town business group). It is hoped that the 3 business networks will be able to use the Council funding to seek 'matched' funding from other services.

### 3.5 Whitehaven Town Centre Programme

In order to remain competitive, town centre retailers will need to embrace change. It is proposed that the funding is utilised to implement recommendations from the recently completed 'Sea Change' study, including the recruitment of a Business Liaison Officer who would work closely with town centre businesses to represent their views on the Whitehaven Town Centre Task Group. In addition he/she would be involved in developing marketing initiatives to promote Whitehaven to potential investors and developers.

It is proposed to allocate £55k to this programme over the next two years with a matched contribution of £50k being sought from West Lakes Renaissance.

## 4 **CONCLUSIONS**

- 4.1 All the projects included in the Copeland programme, will be monitored by the Economic and Tourism Development Section to ensure that outputs are achieved. Further progress reports will be prepared for the Executive before the end of the financial year.

4.2 If the programme is approved by the Council, it is suggested that funding be distributed to partner organisations, where appropriate, in November 2006, subject to their agreement to submit quarterly progress reports to the Economic Development & Tourism Development Manager.

### **List of Appendices**

Appendix A – Funding Table

**List of Background Documents:** Business network reports from Cleator Moor, Egremont and Millom. Bid to NWDA for Enterprise Development project. Sea Change Study, Broadway Malyan, March 2006  
Programme from St. Martin's College, Executive report dated 13.6.06

**List of Consultees:** Corporate Team, Councillor C Giel