

## **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 in 2007/08.

**Recommendation:**

1. Members are requested to approve the outline programme as detailed in the report.
2. A further report providing details of the projects will be prepared for Executive in June 2007.

**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 within the borough.

**Financial and human resource implications:** The Council is expecting to receive £419k from the LABGI scheme for 2007/8.

**Project & Risk Management:** None at this stage.

### **Key Decision Status**

- **Financial:** N/A  
- **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 2006 Executive which gave full details of the scheme.

## **2. ARGUMENT**

- 2.1 LABGI has given 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 is expecting to receive £419k for the financial year 2007/08. In the last financial year Members supported a variety of business development initiatives within the borough which levered in £3 of public and private sector funding for every £1 of Council expenditure.

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

- 3.1 The following draft programme has been put together by the Council's Economic Development & Tourism Unit to utilise the LABGI funding for 2007/08. All projects are at an early stage of development and will be developed further with partners, if Members give their approval to the outline programme.

a) Backing Business - £100k

This is a joint initiative with West Cumbria Development Agency which will focus on "growth" businesses rather than "start-ups" and provide a more pro-active and comprehensive service which would be complementary to any existing support available from Business Link, Copeland Borough Council or other providers. The project includes provision of one-to-one business counselling/specialist advice, business reviews, enhanced business information and grant funding for marketing, training and equipment to businesses in Copeland. The programme is currently in operation in Workington and Maryport and is working very well.

b) Whitehaven Regeneration Programme - £100k

Funding to support the development of a quality hotel on the harbourside in Whitehaven to encourage the visitor economy and bring forward a key development site.

c) Business Development Initiatives – Egremont, Cleator Moor and Millom - £150k

Projects to be developed in partnership with business networks in each of the three towns - £50k allocation to each town.

d) Local Area Agreement – Enterprise Block - £50k

Projects to encourage unemployed people back into work, building on the successful 'LPSA6' scheme run in partnership with Allerdale BC last year.

e) Copeland Business Grant Scheme - £19k

The Council's successful grant scheme which encourages job creation in the borough has very limited funding left. This additional funding would allow the scheme to be promoted more widely and support more businesses in 2007/08.

### **4. CONCLUSIONS**

- 4.1 The draft programme of initiatives will help to support further business development within the borough. The funding has come to the Council from businesses paying rates and it is appropriate that these funds are used for this purpose, meeting both central and local government objectives of promoting business growth.

#### **List of Appendices:**

Appendix A – None

**List of Background Documents:**

ODPM paper to local authorities on LABGI scheme dated  
July 2006  
Letter from Society of County Treasurers dated 21.12.2006

**List of Consultees:**

Councillor Mrs C Giel, Corporate Team