

ALLOCATION OF NDA LABGI COMPENSATION FUNDING

EXECUTIVE MEMBER: Councillor Cath Giel
LEAD OFFICER: Mike Tichford
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Summary:	The report provides details of a range of key Regeneration projects which have been prioritised to utilise the Nuclear Decommissioning Authority's one-off LABGI compensation payment of £419,000 to Copeland Borough Council for the purpose of uplifting the local economy in the period 2007/08 – 2008/09.
Recommendation:	Members are requested to approve the outline programme as detailed in the report , and to agree that the Corporate Director for Economic Prosperity and Sustainability – in consultation with the Deputy Leader for Achieving Transformation - be granted delegated authority to authorise allocations to detailed project bids , and report back on subsequent performance to this Committee and to the NDA .

1. INTRODUCTION

- 1.1 The Local Authority Business Growth Incentive Scheme(LABGI) is a reward grant received by local authorities to reflect the growth in local business activity and rates collected. In 2007/08 Copeland's performance on this indicator was estimated to yield a £419,000 wind-fall payment to the Council. However , because of the negative impact of nuclear decommissioning activity this reward grant was nullified. In the event the Nuclear Decommissioning Authority compensated the Council for this loss and paid to it the sum of £419,000 in September 2007.
- 1.2 In view of the premise that LABGI funding provides the opportunity for local government and the business community to work together to deliver economic success and prosperity , it is essential that a raft of projects which contribute to this outcome are prioritised to utilise the funding allocation. An advantage of the deposit of funding from the NDA is

that the funding can be allocated over an extended timescale to ensure that it has an effective impact.

- 1.3 In this report the Economic Development Service has attempted to prioritise scaled-up projects with the capability to deliver **high impacts** , that provide a **fair spatial distribution** and connectivity with local regeneration initiatives and which also provide for significant **additional leverage** of external funding and resources. It is recognised that there is not comprehensive coverage of the whole of Copeland , but a concentration in the communities most advanced in terms of regeneration plans.

2. ARGUMENT

- 2.1 The current LABGI compensation payment of £419,000 provides a one-off opportunity to support a variety of projects up to the end of March 2009. In the last financial year Members supported a variety of business development initiative within the Borough which levered in £3 of public and private sector funding for every £1 of Council expenditure. With reference to the guidance criteria in 1.3 above a shortlist of beneficiary projects has been produced and rounded into a delivery programme.
- 2.2 In view of the amount of the funding to be allocated against the LABGI compensation payment it is the intention of the Economic Development Service to get all indicative projects to specify their outputs, outcomes and funding leverage targets prior to assigning resources. A monitoring regime will be developed for each project so that at regular intervals progress can be reported back to the NDA.

3. OPTIONS TO BE CONSIDERED

- 3.1 The following programme has a balance of business focus , localism and wider leverage. The programme as a whole fully utilises the capped fund of £419,000. However there are other pressures on the use of this resource as reflected in the reserve projects specified after the indicative core programme. It is recommended that the Corporate Director for Economic Prosperity and Sustainability , in consultation with the Deputy Leader for Achieving Transformation , be given delegated authority to award funding subject to the evaluation of detailed proposals which also need to include a risk assessment as well as a delivery schedule to be built into SLAs which will be monitored at 6 monthly intervals..

- a) ***either*** Backing Business - £60K

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. If this project is selected it will be a precondition of grant that the delivery body ensures the effective roll out of support to the local area based regeneration partnerships.

or Enterprise Development Workers £60k

A successful pilot project has already been in place in Cleator Moor and Mirehouse. The project works with the hard to reach unemployed to stimulate and support them as they pursue employment and self employment options. Allerdale BC and Copeland BC will shortly be invited to determine if the pilot has justified a continued extension of the scheme.

b) Copeland Business Grant Scheme - £24k

The Council’s successful grant scheme which encourages job creation in the Borough has very limited funding left. The additional funding would allow the scheme to be promoted more widely and support more businesses in 2007/08 – 2008/09.

c) Whitehaven Regeneration Programme - £100k

Funding to support the priorities of the Whitehaven Regeneration Programme which includes provision for the development of a quality hotel on the harbourside in Whitehaven. The programme as a whole will serve to generate business confidence and visitor footfall in Whitehaven

d) Business Development Initiatives – Egremont, Cleator Moor and Millom - £225k

Projects to be developed in partnership with each of the three towns - £75k allocation to each town. Each allocation will be based on performance, outputs and outcomes. Outline bids have been received from each town partnership and are available for

inspection. These need further development into service level agreements.

It is a source of concern for the Council that the succession plans of the MTIs are robust and allow them to sustain themselves into the future. Recently NWDA has indicated it wishes to move support to Community Boards – which as yet are not fully developed. Therefore in evaluating the merits of the MTI cases due regard will have to be shown that project management and governance is sufficiently robust to win the confidence of external bodies such as the NWDA and WLR.

e) Tourism Information Centre (TIC) Upgrading - £10k

The 2005 Bowles Green report identified a shortcoming with respect to the Tourist Information Point location at Millom. It is proposed that a one year pilot be funded to relocate the service and determine the impact on visitor awareness and footfall. This will then substantiate the need for the TIC in Millom , or some smaller derivative , in future.

f) Reserve Projects

Millom Tourism Development Officer £25k

This post currently terminates in March 2008 as part of the Millom MTI scheme. The project worker and budget are necessary to sustain the events and tourist attractions of the area , and to provide a conduit through which the Council's cultural and arts development offer can support this community.

4. CONCLUSIONS

- 4.1 The draft programme of indicative projects forms the basis of a concerted effort to support further business development within the Borough. With Member approval for the programme the Council's officers can proceed to invite more detailed proposals from each of the project proponents.
- 4.2 It is advisable that the detailed proposals are then evaluated for their deliverability and overall impact so that a final decision can be made to release funding by the Corporate Director for Economic Prosperity and Sustainability. The latter will then be expected to communicate on programme performance to the Executive , and to the NDA, at 6 monthly intervals.

- 4.3 in view of the need for more detailed proposals from project proponents it is necessary for the same Corporate Director to be given the flexibility to reschedule the payments to projects to achieve the best delivery programme for the Council.

5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

- 5.1 The Council has received £419k from the NDA as compensation for the LAGBI scheme for 2007/08.

6. PROJECT AND RISK MANAGEMENT

- 6.1 Risk management will be built into the proposal generation and evaluation exercise of projects – prior to any funding awards or issuing of SLA contracts. Allocations will not be made unless a clear risk assessment is provided against the sustainable delivery of identified projects.

7. IMPACT ON CORPORATE PLAN

- 7.1 The NDA funding as earmarked in this report will contribute to the sustaining of strong local strategic partnership activity (1.3), create opportunities for community involvement (2.1) , contribute to Copeland's regeneration (2.2) , improve skills for employment (2.3), support job growth and retention (3.1) and underpin sustainability within key geographic areas (3.4)

List of Appendices

none

List of Background Documents:

WCDA Proposal

MTI and Regen NE Copeland Proposals

WRP Working Papers

Bowles Green Report – TICs

List of Consultees:

MTI Managers

Corporate Management Team

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed . This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	N/A
Impact on Sustainability	Report addresses need to sustain momentum of MTIs and build upon existing strategic masterplans
Impact on Rural Proofing	N/A
Health and Safety Implications	Positive contribution to well-being given impact on augmenting social and economic benefits across Copeland
Project and Risk Management	Risk to be managed at next stage of inviting formal invitations from project proponents which will address deliverability issues
Impact on Equality and Diversity Issues	N/A
Children and Young Persons Implications	N/A
Human Rights Act Implications	N/A
Section 151 Officer Comments	The proposals are in accordance with Corporate priorities and hence appear to maximize the benefits from the allocation of the LABGI grant.
Monitoring Officer Comments	This report recommends the making of a Key Decision. Therefore the procedure described at Paragraph 15 of Part 4B of the Constitution needs to be followed.

Please say if this report will require the making of a Key Decision YES