

LABGI (LOCAL AUTHORITY BUSINESS GROWTH INCENTIVES) SCHEME YEAR 3 ALLOCATIONS

EXECUTIVE MEMBER: Portfolio Holder, Councillor Cath Giel

LEAD OFFICER: Julie Betteridge, Head of Development Strategy

REPORT AUTHOR: Julie Betteridge, Head of Development Strategy

SUMMARY: This report provides some update information on the Local Authority Business Growth Incentives (LABGI) scheme, an overview of funded activity to date and outlines a range of projects to utilise the funding to the benefit of the Copeland economy in 2009-11.

Members are recommended to

- a) Approve the outline programme as detailed in the report to spend the remaining LABGI allocations; and
- b) Delegate signing off the detail of the projects to the Portfolio Holder, Cllr Cath Giel.

1. INTRODUCTION

- 1.1 The LABGI Scheme, which has been running since 2006/7, 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 localities, LABGI provides the opportunity for us to work with our partners, specifically the private sector, to deliver economic success and prosperity to our communities. Previous Executive reports
- 1.2 Copeland has received funding from LABGI over the past three years. Total funding received to date is £478,766 increased by NDA compensation payment of £419,000. The £897,766 has not been allocated in full. This paper seeks to address this. This programme to date has levered in a minimum of £276,000 additional funding for projects.

2. ARGUMENT

- 2.1 The LABGI money has been an important and direct incentive to assist Copeland to encourage business across the borough. The Council has supported a variety of business development initiatives in the borough.

- 2.2 This suggested package of initiatives uses the learning from the existing LABGI funded interventions to ensure continued enterprise capacity and business development support at a time when a number of local businesses and service centres are affected by the current recession.
- 2.4 Other resources, including Working Neighbourhood Fund (WNF), have been allocated to continue a couple of key projects supported through the earlier LABGI allocations, including Ways into Self Employment (WISE) offering enterprise coaching to individuals across Copeland. WNF is also adding an additional £75,000 over three years to enhance the Copeland delivery element of the Cumbria Business Support Simplification Programme to start up businesses.

3. OPTIONS TO BE CONSIDERED

- 3.1 The following draft programme of £317,000 has been developed using existing evidence of need and experience of current initiatives. Some consultation has been undertaken internally and with external agencies to identify opportunities and best use of the LABGI resource now available. Projects still need further development and discussion with delivery bodies and partners to be clear on the detail and expected outcomes.

- a) Assisting Business Sustainability, infrastructure and Growth
£125,000

There is an opportunity for a joint initiative with providers and regeneration partners to specifically meet the needs of existing businesses within Whitehaven and other town centres. The detail of the scheme has yet to be fully scoped but will include the evidence of current support needs including premises, conservation and heritage grants, one to one specialist advice, training and business reviews.

- b) Business Network Initiatives
£55,000

To continue the work from previous LABGI allocations in supporting the four town based business networks develop and deliver local initiatives to enhance local footfall and enterprise opportunities. Allocations will be made to each of the towns and rural service centre business networks. £5,000 will be set aside for boroughwide networking and promotion including a further Business Summit.

- c) Copeland Business Grant Scheme
£87,000

To deliver three key grant schemes:

- Recession Hardship fund for small business
- Top up start up business grant linked to job numbers focused on areas not able to access the range of existing grants available

- Low Carbon Enterprise Feasability Grant to enable a small fund to support feasibility work into low carbon business ideas.

e) Tourism Sector developments £50,000

To underpin our focus on tourism development by providing a flexible resource to a) assist businesses improve quality and develop opportunities for a wider tourism offer and enable new partnership initiatives.

4. CONCLUSIONS

- 4.1 This programme of projects will continue and update the existing LABGI approach to support business development in Copeland. 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 sustaining local business and assisting growth to meet local opportunities.
- 4.2 LABGI offers opportunities to provide complementary business support to enhance existing activity and new schemes, e.g. Business Support Simplification Programme.

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

- 5.1 Government have provided two additional settlements since the last LABGI report to Executive in November 2007, totalling £199,398 which need to be allocated to deliver against our business support objectives:
- £141,825 in July 2008; and,
 - £57,572.57 in March 2009
- 5.2 In addition, the reconciliation of earmarked reserves in 2007/08, as part of closure of accounts work, has indicated a further £117,660 of LABGI funding received in previous years which has not been allocated. The total funding received both from LABGI and NDA is £897,766 and not all has been committed. £317,058 is required to be committed in 2009/10 and 2010/11 and this paper seeks to address this.
- 5.3 We are looking to use this resource to enable the outlined projects across the 2009-11 financial years.

6. PROJECT AND RISK MANAGEMENT

- 6.1 The existing LABGI programme has a number of ongoing projects carrying forward into 2009/10. The package of projects outlined in this report will become part of this ongoing programme and will be managed and monitored by the economic development team. All projects will be expected to agree to a range of conditions including reporting, promotion and project management.

7. IMPACT ON CORPORATE PLAN

- 7.1 The LABGI funding, as in past years, will be used to support the Council's objective to create and sustain a healthy local economy. It is expected that elements of the programme will deliver against our worklessness objectives by helping to create new job opportunities through sustaining and increasing entrepreneurial activity in the borough.

List of Appendices

None

Background Documents

LABGI background papers and past activities
Tables of LABGI activity in 2007-9 and project outcomes

List of Consultees

Deputy Leader – Cllr Cath Giel
Corporate 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	Supports
Impact on Sustainability	Supports
Impact on Rural Proofing	Supports
Health and Safety Implications	Supports
Impact on Equality and Diversity Issues	Supports
Children and Young Persons Implications	n/a
Human Rights Act Implications	Supports
Section 151 Officer Comments	No further comments
Monitoring Officer Comments	No comment

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