

LOCAL AUTHORITY BUSINESS GROWTH INCENTIVE (LABGI) AWARD

1 SUMMARY

- 1.1 This report advises Members of a higher than anticipated award under the LABGI initiative over and above that assumed in the budget process and seeks Members' views as to how that additional allocation should now be spent.

2 INTRODUCTION

- 2.1 The Local Authority Business Growth Incentive scheme was introduced on a three year trial basis some two years ago.
- 2.2 The award is entirely additional to the normal local government financial settlement and it is up to individual authorities to determine how they wish the money to be spent.
- 2.3 However, the aim of introducing the award was to encourage local authorities to increase business growth in their areas and to help foster relationships between local authorities and their local business communities, in an attempt to delivery further economic success and prosperity.
- 2.4 The criteria for determining allocations is based on a formula which factors in changes in rateable value calculations concerning floorspace over the year, with annual grant allocations per authority being announced at the end of February.
- 2.5 The grant award announcements per Authority range from nothing through to over £17million (Manchester). Amongst the Essex Districts, the highest allocation for 2007 has been made to Epping Forest, at over £800,000, whilst three of the Districts have received no allocation whatsoever. The administration of the system is such that nationally two local authorities are currently mounting legal challenges to their LABGI allocation. Clearly, if these are successful, then this may have an impact on the LABGI settlements announced for Authorities.

3 DETAILED CONSIDERATIONS

- 3.1 The allocation announced for this District for 2007 is £328,068, which is over and above that which was estimated and factored into the 2007/2008 budget process. That assumed a contribution to the core budget of £70,000 and an allocation of up to £200,000 to fund new IT system upgrades and access to services improvements.

- 3.2 However, with forecasted year end salary savings now estimated at above target, it is estimated that the allocation required for IT and access to service improvements is closer to £100,000.
- 3.3 Hence, given the sum now announced, there is potentially £160,000 over and above that envisaged which could be used to fund additional initiatives. This report therefore seeks Members' views as to how that additional allocation should now be spent. It can be treated as either capital or revenue in budgetary terms but must be regarded as a one-off. It should also be remembered that at this point in time, there is no indication of what the Council's LABGI allocation might be for 2008. From an officer perspective, the following are suggested as they link to the Council's corporate objectives to encourage a thriving local economy and improve the quality of life for people in our district:-
- Contribution to the recently agreed Joint West Rochford study with Southend to kick start the process (£100,000)
 - Funding of a Master Planning exercise for Rochford Town Centre and adjoining area – to feed into the LDF process (£50-70,000)
 - Funding of a Master Planning exercise for Hockley Town Centre and adjoining area – to feed into the LDF process . (£50-70,000)
- 3.3 Other suggestions include:-
- Bring forward the electronic signage for car parks (£100,000) – this has been identified during the budget process for the last 3 years as a priority but has been deferred pending Essex County Council's rollout of funding.
 - Allocate to the car parking acquisition reserve fund (£100,000) – this is in line with the Council's car park charges strategy to build up a fighting fund to develop parking facilities in the district.
 - Resurrect shop front grant initiative which the Council ran for a year in the last 1990s as a one-off initiative (£50,000) – improving the appearance of the shopping areas in the district would support the achievement of the corporate objective to encourage a thriving local economy.
 - Fund more brown signs subject to County Council approval (£10,000) – this would support the Council's priority to develop tourism to the District by advertising and clearly signposting what is available for visitors.
 - Complete the physical refurbishment of the museum element of Rayleigh Windmill (£10,000) – this would finish off the Windmill and support the achievement of the corporate objective to maintain and enhance our local heritage.

3.3 Suggestions have also been received through the regular liaison meetings held between Rochford District Council officers and representatives of the Business Community. The following proposals could all potentially work towards encouraging a thriving local economy: -

- Enterprise Start up Units/Managed Workspaces. The initial start up costs could be recovered by rental income. Scheme would bring starter office space into being for the smaller companies. (£125,000)
- Additional resource for 2 years to provide clerical support to the Economic Development Officer to recognise the increase in her workload and that results are restricted by the amount of paperwork she has to do. (£30,000)
- To enhance the prospects for better trading in our town centres, use some of the grant to reduce car parking charges for periods leading up to Christmas or linked to special events in the District. Alternatively, have a period of free parking in Rochford following the opening of the new supermarket. (£30,000)
- Investigate demand and supply of high class office accommodation to attract small technological businesses. (£50,000)
- Provide signs and publicity for the Parking Refund Scheme (£10,000)
- Provide Information Noticeboards publicising the Business Support Agencies (£10,000)
- Give the Tourism Initiative a proper launch with publicity, high quality publications, tourism offices in the district, distribute publications to local businesses and a "Visit Rochford & District" page on the Council's website. (£30,000)

3.4 Some of the suggestions from the Business Community repeated those already mentioned above and these are given below to show the support given:-

- Funding of a major planning exercise for our town centres, in particular for Hockley, which would greatly benefit from regeneration, and to consider ways to improve the variety of shops, increase affordable housing and introduce traffic free areas. (£50-70,000)
- Finish the interior refitting of the Windmill (£10,000)
- Provision of additional brown signs to support the Tourism initiative (£10,000)

- Contribution to the recently agreed Joint West Rochford Study with Southend to improve regeneration of this part of the Town (£100,000)

4 NEXT STEP

- 4.1 Members need to decide which projects should be pursued with this year's allocation of £160,000 and a further report will then be brought back to detail the objectives of the projects and timetables for delivery.
- 4.2 Members are also invited to add any suggestions or identify future projects which could be developed in readiness for the LABGI grant in 2008. However, until the Government announcement is made in February 2008 we will not know how much grant we are likely to receive.

4 RECOMMENDATION

- 4.1 It is proposed that the Committee **RESOLVES**
- (1) The allocation of £160,000 of the Year 2 LABGI grant on selected projects with a report back to the Committee on the key objectives and timetable for the projects.
 - (2) To identify projects to be developed for resourcing from future LABGI income.

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Background Papers:-

None

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