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**REPORT TO THE MEETING OF THE EXECUTIVE 10 DECEMBER 2008****PORTFOLIO: OVERALL STRATEGY & POLICY DIRECTION****REPORT FROM THE CHIEF EXECUTIVE****SUBJECT: LOCAL AUTHORITY BUSINESS GRANT INCENTIVE ALLOCATION (LABGI)****1 DECISION BEING RECOMMENDED**

- 1.1 Allocate £84,000 to fund a full time Business Support Officer post for a period of 3 years, which also includes the cost of all relevant equipment needed including telephone, computer etc.
- 1.2 Allocate £15,000 (£5,000 per year) for expenditure by the Chambers and local businesses on small scale initiatives, to replace the £5,000 per annum budget currently in the Council's Revenue budget.
- 1.3 Allocate £50,000 to undertake a master planning exercise for Rayleigh Town Centre and a further £30,000 to enable the Council to progress this to an Area Action Plan if deemed worthwhile. Total cost £80,000.
- 1.4 Allocate £50,000 to fund the completion of the work around the Joint Area Action Plan covering London Southend Airport and its environs.
- 1.5 Allocate £25,000 to commission a feasibility study/business case around the establishment of an Eco Enterprise Centre within Rochford District.

**2 REASON/S FOR RECOMMENDATION**

- 2.1 All the recommendations listed above will either improve links and relationships with the business community, add value to existing services or move forward projects that could in the longer term stimulate economic growth in the District.

**3 ALTERNATIVE OPTIONS CONSIDERED**

- 3.1 To fund a budget for the Economic Regeneration Sub Group to develop relevant initiatives and projects for the benefit of the business community and to work to the priorities of the Local Strategic Partnership.
- 3.2 The Federation for Small Businesses has suggested that there would be some benefit to commissioning a District wide survey of all commercial/work based premises to gain an understanding of our current "stock", what condition it is in and how many commercial premises are currently empty. However, part of this focussing on industrial land availability has been carried out as part of the Local Development Framework process and is one of the

supporting evidence documents. Similarly, the FSB have suggested studies of the smaller shopping parades. Again, much information on these has been collected as part of the Local Development Framework process.

- 3.3 To set aside a greater amount of funds to resource any projects or initiatives that may arise from new Economic Development Strategy in 2009.

#### **4 OTHER SALIENT INFORMATION**

- 4.1 For 2008 Rochford District Council has been awarded £254,433 in LABGI monies.
- 4.2 The aim of the scheme is to encourage local authorities to increase economic growth in their areas and to improve links and relationships with their local business communities in an attempt to deliver further economic success and prosperity, although there is not a statutory responsibility to directly allocate the funds to related activities. LABGI is in essence compensatory monies and it is for the councils to spend as they deem fit.
- 4.3 If a local authority can use the LABGI allocation to stimulate further economic growth, which is measured through increased revenue from non-domestic rates, then the local authority may be rewarded with an increased allocation in future years. However, it is important to note at this stage that the administration of LABGI is currently under scrutiny and is likely to change in the next few years. The leading suggestion is that LABGI will be distributed to sub-regions, e.g. counties, which will then distribute to local authority areas based on population. Furthermore, it has been suggested that, in respect of district authorities, the sub-regions will keep two-thirds of the allocation, with only one-third distributed to the district.

#### **5 RISK IMPLICATIONS**

- 5.1 Each of the above suggestions holds a financial risk and so it is imperative that the finances for each of the projects are managed effectively. There is also an element of reputational risk.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 LABGI grant represents an opportunity to provide funding support to the key areas of economic development and planning. Without it, it is clear that a number of preferred initiatives could not progress.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: \_\_\_\_\_

**Chief Executive**

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**Background Papers:-**

None

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