

TAUNTON DEANE BOROUGH COUNCIL

**Meeting of the EXECUTIVE
7 MARCH 2007**

LOCAL AUTHORITY BUSINESS GROWTH INITIATIVE (LABGI) AWARDS 2007/08 (This matter is the responsibility of Executive Councillor N Cavill)

Report of the Economic Development & Regeneration Manager

1. Background

- 1.1. Members will recall that in 2006/07 the Council received £138,000 in the first round of awards made by Central Government in recognition of the growth in income from business rates achieved in the previous year. The award was subject a fearsome formula, that included an element of capping, and that led to this authority receiving a smaller level of grant than most other Districts in Somerset.
- 1.2. Proposals to retain this sum within the Economic Development Portfolio were endorsed at Strategic Planning, Transportation and Economic Development Scrutiny panel in June 2006, and Cllr N Cavill authorised to proceed with allocations as set out within that report.
- 1.3. Indicative amounts for the second round award of LABGI for financial year 2007/08 has been advised by Government, and due to a change in formula this has risen to £550,000. It should be noted that the advice from Government includes a warning that some awards will be 'capped', and if this is the case, the overall level of funding available may fall slightly to keep ratios consistent throughout the process. It is felt that the level of this years' award will be closer to £500,000.

2. Proposed allocation for 2007/08

- 2.1. It is proposed that the bulk of this years' LABGI award remains in Economic Development and Regeneration, and is used to support the wide range of services that the EDU delivers, and is committed to continue to deliver in partnership with others in the County.
- 2.2. Appendix One, attached to this report, outlines the proposed allocations for this years' LABGI award. It is proposed that the allocation is distributed across five 'blocks' of activity as follows:
 - a) Partnership Projects £172,500
 - b) Economic Development projects £140,000
 - c) Deprivation Area Projects £ 80,000
 - d) Consultancy Projects £ 20,000

e) Landbank Fund		<u>£ 87,500</u>
	Total	£500,000

Appendix One goes on to outline the individual project proposals in each of the 'blocks' of activity. It can be seen that, if approved, proposals for Economic Development & Regeneration expenditure total some £500,000. Subject to the level of 'capping' of the award imposed by Government it is estimated that if the final level of award is £550,000, a further £50,000 would be available for investment in the proposed Landbank Fund. Should the level of capping turn out to be greater, then it is proposed that the Landbank Fund be reduced accordingly.

- 2.3. Government advises that LABGI can be utilised for both capital and revenue items, and that while it would encourage Authorities to utilise the award to further develop its' economic development activity, the funding can be used on non ED expenditure.

3 Financial Implications

- 3.1. In 2006/07 financial year a 'reserve' account was been set up within Economic Development budgets. It is proposed that this will be repeated in order to manage the award in 2007/08. It is anticipated that Government will require annual reports on the activity carried out using LABGI monies. The Economic Development Unit will review and monitor activity.
- 3.2. Individual approvals to expenditure within the proposed allocation will be subject to either Member Decision of the portfolio holder for Economic Development, Regeneration & Property, or by specific recommendation to future meetings of the Executive

4. Recommendations

- 4.1. Members are recommended to approve:
- a) Proposals to allocate the 2007/08 LABGI Award as set out in Appendix One attached to this report
 - b) Proposals for individual approval for project expenditure as outlined at paragraph 3.2.

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**APPENDIX ONE:
PROPOSED LABGI ALLOCATIONS 2007/08**

1. The award from Government to TDBC for 2007/08 is currently indicated at £550,000. However, there is a possibility that due to final amendments to the formula for each District, it is felt to be appropriate to allocate £500,000, as this is the likely amount were the Government to introduce a 'cap' in the process.
2. It is proposed to distribute the LABGI allocation into five 'blocks of activity'. These are:
 - a) Partnership projects within Economic Development & Regeneration
 - b) Economic Development Projects
 - c) Deprived Area Initiatives
 - d) Consultancy Projects
 - e) Potential Land and Buildings Fund
3. Each of these blocks will be themselves subdivided into specific projects as follows:

a) Partnership Projects

The Economic Development Unit has been working closely with a wide range of organisations to either influence County-wide partnership initiatives, or to develop local Deane wide partnerships to help deliver a wide economic development and regeneration agenda. In particular, a number of existing initiatives require continuing support

1. Wellington Food Town

This proposal continues the Council's on-going support for the wide range of initiatives that are included within the Food Town label. Wellington Economic Partnership is managing the Food Town Initiative, and has successfully bid for Market & Coastal Town status for Wellington, which will bring a community partnership and a wide ranging programme of community-level initiatives alongside the business-led programme within Food Town. Funding is proposed to support a part-time co-ordinator for Food Town activities, and the costs associated with a two-day Food Fair to be held in September 2007.

Grant: £40,000

2. Somerset Inward Investment Company & Project Taunton Marketing

Proposals to establish a new, county-wide, stand-alone inward investment marketing company as Company Limited by Guarantee are well advanced. The company will operate as a partnership of the District and County Councils, together with business organisations, individual 'champion' businesses, the Regional Development Agency, Business Link and SCAT. Each organisation is required to provide an annual cash

input to the Company and TDBC's contribution for 2007/08 has been negotiated at £12,500.

In addition, as Project Taunton commissioned studies reach fruition, there is a need to provide a funding stream for these contracted costs, which are not accounted for in the 'normal' Project Taunton Budgets. It is estimated that these contracts will amount to some £60,000 in 2007/08.

Grant: £72,500

3. Town Centre Business Improvement District Support

In 2006/07 the Council approved a grant of £20,000 from LABGI funding to Taunton Town Centre Management Company to support the work of designing and developing a formal application for BID status from Government. The process has so far included consultation with town centre businesses and is now moving into the development of a business plan, a formal vote by the business community, and a decision from Government in August/September 2007.

If approved the BID will outline a range of additional services, such as increased marketing, improved street cleaning, signage and street scenery that the product of a 1% additional rates levy will purchase.

The Council has also supported work carried out by the Town Centre Company through providing staff time and liaison between Departments. SWERDA has also 'matched' the Council's funding with £35,000 for 2006/7 and 2007/08 to enable the TTCM Co to employ a dedicated administrative and support worker for the BID process.

In recognition of the exceptional costs of producing quality literature and marketing message to sell the BID to potential member companies and to cover the initial costs of a 1% levy on Council owned property in the BID area it is proposed that a grant of £35,000 be made.

Grant £35,000

4. Visit Somerset Destination Management Organisation

TDBC has been working in partnership with our District and County colleagues responsible for Tourism marketing and development to develop the Destination Management System. This system, which is due to be rolled out in September 2007 will allow all tourism businesses e-access to booking and marketing that currently does not exist.

Government, through the RDA and Visit South West are encouraging the partnership to enter the next steps in this process – the development of a single, coherent Destination Management Organisation. This envisages a significant increase in collaborative working between the current Tourism Officers and the establishment of a single county-wide marketing organisation to ensure maximum impact for Somerset's' tourism marketing.

Consultants have been contracted to examine both the process and funding for such an organisation, and their report is due to be published in late spring 2007. A detailed report will be brought to SPTED Panel at the appropriate time.

There is a need for this Council to continue to support the work of the consultants, and it is proposed that a sum of £10,000 be allocated to cover any additional costs that might arise during the later stages of the study.

Grant: £ 10,000

5. Creative Industries Development Agency/Business Boost

Support for the Creative Industries Sector is at the heart of the revised Economic Development Strategy considered by SPTED in December 2006.

The Council is currently assessing the best way to offer support to the sector over and above that provided through the County-wide Creative Boost Project, which is a partnership initiative to promote new business opportunities for creative companies, and which is based at the Brewhouse Theatre.

The Council has agreed to an annual contribution of £15,000 towards the costs of Creative Boost during its initial two year grant funded period. This allocation reflects that costs.

Grant: £15,000

**PROPOSED PARTNERSHIP PROJECTS
BLOCK ALLOCATION: £ 172,500**

b) Economic Development Projects

LABGI offers the opportunity for the Council to enhance its level of work on specific projects and initiatives. Our proposals to further improve these services are shown below:

1. Business Support Grant and Acorn Grants

The Council has for some years now operated a Business Support Grant Scheme that is available to businesses seeking to enhance their business through improved and specific marketing, investment in e-trading capacity etc. Currently some 20 businesses per year are assisted with grants of up to £2,000 each, and demand remains high.

In addition the Council offers up to £500 for new-start businesses that can demonstrate a solid business plan and a new or innovative product or service.

The Council works closely with Business Link Somerset, who advise individual applicant companies, and run a range of 'business workshops' for applicants prior to their completing the applications for grants.

It is proposed that a further £10,000 be allocated to the Scheme to enable creative industry sector businesses to be supported more directly.

Grant: £10,000

2. Inward Investment Support & Aftercare

As part of the proposals for the establishment of the Somerset Inward Investment Company, it is recognised that District ED Units will need to improve their levels of liaison with local businesses, technology employed, and local land and property information in order to carry out a professional aftercare and support service to supplement the work of the Inward Investment Company. Proposals to improve marketing and information materials for TDBC are already in hand, and further work to improve and make more users friendly the Council web-based ED information is urgently needed. It is proposed that a sum of £35,000 is allocated for this purpose.

Grant: £35,000

3. Creative Industry Sector Support Grants

The Creative Business Sector is under-developed in Taunton Deane. It is proposed that an allocation be made to enable provision of infrastructure to support the sector, such as wi-fi connectivity and broadband capacity – particularly in the rural areas, and to help develop a series of ‘creative nodes’ within the Deane that enable a number of small creative sector businesses to operate, collaborate and develop their services.

This sector is also a prime target for the Inward Investment Company, as many small, but fast growing technology-based creative companies are actively seeking to relocate to a more family friendly location from Birmingham and the West Midlands, the South East and the M4 Corridor. It is proposed that an allocation of £50,000 be made to support this work.

Grant: £50,000

4. Rural Business Support

The EDU carries out significant levels of work alongside the farming communities in the Deane, encouraging diversification and improved knowledge and skills. Many farmers are rising to the challenge of business diversification and development, such as Wallace’s on the Blackdown Hills, who recently expanded their activities to include a significant display area within both North & South sides of the Taunton Deane Services on the M5, of ‘Taunton Vale Quality Products’ from a range of local suppliers.

In addition there are a number of Regional Business fairs planned to be held in Taunton Deane during 2007, and this allocation will enable the Council to support these promotional and collaborative business events. It is proposed that an allocation of £15,000 be made to enable this work.

Grant: £15,000

5. Tourist Information Centre Development

In 2005 Taunton TIC was transferred from County Council control to that of TDBC. Since that time the TIC staff have consistently won annual awards for levels of growth achieved in ticket sales and customer service. In addition the TIC has been encouraged to move towards greater levels of income generation in order to reduce the level of 'subsidy' provided by the Council. For further improvements to be achieved, increased levels of investment in the service are required, both in the fabric of the insides of the building currently occupied, and in equipment and technology levels. It is proposed that £30,000 be allocated towards this.

Grant £30,000

PROPOSED ECONOMIC DEVELOPMENT PROCTS BLOCK ALLOCATION: £140,000

c) Deprivation Area Projects Fund

There are six Super-Output Areas (SOA's) in Taunton Deane that demonstrate levels of multiple deprivations within the top one-third in all England. Four of these are within Taunton Town, in Lyngford, Halcon and Priorswood Wards. Further, but less severe areas of multiple deprivations also sit within North Wellington and East Wellington Wards. It is a priority for this Council to address the issues surrounding deprivation, and to seek to take these SOA's out of the top one-third in England by 2015.

There are a number of initiatives that the EDU is currently supporting, and the provision of additional LABGI funding will enhance this work, and enable communities within our 'inner Towns Wards' to develop, manage and deliver projects and activity that will seek to improve community cohesiveness, skills levels within the local workforce and community, and promote community entrepreneurialism. These projects are:

1. Taunton Deane Young Enterprise Primary Programme

The YE Primary programme was enthusiastically supported by members when proposals to enrol 21 primary schools across the Borough were introduced to members in September 2006. The scheme has progressed well, and to date 18 schools have agreed to take part in the programme out of a target of 21 in year one of the three year programme.

This proposal seeks to establish a fund in reserves to enable years two and three to be completed at a cost of £5,000 per year.

Grant £10,000

2. Taunton East Development Trust

The Council has been supporting TEDT for a number of years, and as a result of increased focus over the past 12 months significant progress has

been achieved towards a revitalised Trust with a credible business plan. Details of this will be reported to SPTED later in the year.

Much of the Trusts' immediate funding needs were to be found from the Housing Tenant Participation budget, but this is unable to provide support in 2007/08. The EDU is continuing to work closely with the Trust Board to ensure that where possible self-sufficiency is achieved within three years, but there is a need for continuing support for the period 2007/08 and 2008/9 at a level of £15,000 per year. It is proposed that a reserve revenue budget be established to allow this two-year funding to be provided.

Grant: £30,000

3. North Taunton Partnership

The Council has been working in a similar capacity over the past 12 months with the North Taunton Partnership, and is currently engaged in work with the Partnership Board to enable NTP to become an information and support hub for the communities of Priorswood and Lyngford.

NTP has recently recruited a Centre Manager for the Priorswood Centre, and the Board is actively considering a number of individual projects that will take them closer to their aim. It is proposed that, in order to maintain the current level of service provision from the Centre, and to work with the Partnership Board for a further two years to assist its development, a grant of £15,000 per year be allocated from current LABGI funds.

Grant: £30,000

4. General Projects Fund

One of the biggest constraints experienced by the community sector in general is a lack of funding, particularly funds that they can use to 'match' grant providers such as National Lottery or National Charity donations. It is proposed that a Fund of £10,000 be established for 2007/08, and managed by the Economic Development Unit to enable community-based economic initiatives and projects to apply for 'match-funding' support.

Grant: £10,000

PROPOSED ALLOCATION FOR DEPRIVED AREAS FUND BLOCK: £ 80,000

d) Consultancy Projects Fund

It has become clear over the past 12 months that to enable the wide range of activity currently carried out by the EDU to be maintained and further developed additional short-term specialist staff resources will occasionally be required. For example we have continued to employ Paul Weston on a small number of projects as a consultant following his period covering Hattie Winter's maternity leave. Much of the progress achieved with TEDT and with the emerging Tone Mill and Wiveliscombe Children's/10 Parishes Centre has been as a result of dedicated finely targeted consultancy.

It is proposed that a small allocation of £20,000 be made to enable additional resources to be contracted to support the Council's economic objectives during 2007/08.

Grant: £20,000

**PROPOSED ALLOCATION FOR CONSULTANCY PROJECTS FUND BLOCK:
£20,000**

e) Landbank Fund

Members have indicated their concern over the lack of suitable freehold land and premises to enable business growth to take place in the Deane. There is a potential for the Council to enter this market to add to the range and scope of land and premises availability and tenure in order to address the current imbalances.

It is proposed that the Council uses LABGI to develop a Landbank Fund, which will be available for intervention in the land and property market where there is a clear need. It is proposed that the balance of LABGI funding (£87,500 assuming a cap on grant levels of £500,000; or £137,500 assuming that final grant levels remain at the £550,000 as currently advised by Government). For the purposes of this paper it is assumed that the lower figure will be available.

Grant: £ 87,500

PROPOSED ALLOCATION FOR THE LANDBANK FUND BLOCK: £87,500

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