Cabinet – 14 June 2006

Local Authority Business Growth Incentive (LABGI) – Investment Plan

Portfolio: Councillor Adrian Andrew, Regeneration

Service Area: Regeneration

Wards: All

Key decisions: No

Forward Plan:

Summary of report

This report updates the position with regard to Walsall's planned investments utilising the new Local Authority Business Growth Incentive (LABGI), which essentially allows Local Authorities to retain a proportion of new business rate generation within a defined framework of thresholds and ceilings, for investment in a range of locally defined priorities. Walsall's award in 2005/06 amounted to £1.6 million.

The use of LABGI funding is not ring fenced. Government guidance state it is for local authorities to decide how the reward is spent, but they specifically state that "Every local authority now has a direct incentive to promote enterprise, employment and the growth of small and medium sized businesses in the local community and the freedom to influence local outcomes" .[1]

Cabinet, at its meeting on 23 March 2006 agreed, a balanced investment approach based around some key investment principles, detailed in appendix 1, which are in accord with the Council's policy led, medium term budget approach. The Regeneration, Environment, Housing and Community Safety Scrutiny and Performance Panel were asked to recommend funding priorities in light of the agreed investment principles, outlined in appendix 2.

It is proposed to reinvest a significant proportion of LABGI in innovative and progressive one off projects to create the environment for further business and economic growth to address some key priorities for the Borough and to invest and align with some of the key outcomes within Walsall's newly signed Local Area Agreement (LAA).

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[1] *DCLG News Release 2006/0016,* Woolas rewards local authorities for business growth with over £105 million, 08 February 2006

Overall the proposed LABGI investment plan is a balanced programme which will provide significant benefits to citizens and businesses across the Borough.

The detailed LABGI Investment plan proposed is outlined at appendix 3.

Recommendations

That

(1) The LABGI Investment plan covering 2006/07 and 2007/08 outlined in appendix 3 be approved and detailed project delivery plans be developed for each of the priority projects identified, in conjunction with the appropriate portfolio holders.

(2) Delegated authority be given to the Executive Directors for Regeneration and Corporate Services in conjunction with the appropriate portfolio holders to agree the detailed project delivery plans, within the context of the Council's overall budget process and to amend the overall LABGI investment programme if required.

(3) Regular Performance Management and outcome updates be provided to both Cabinet and the Executive Management Team to ensure adequate performance of the agreed LABGI programme, within the context of the Councils' agreed performance management framework.

(4) The Regeneration, Environment, Housing and Community Safety Scrutiny and Performance Panel be advised of the decision.

Resource and legal considerations

On 8 February 2006, Walsall Council received notification that it would receive £1,504,602.51 for 2005/06 – the 9th highest in the UK. In addition a further award was announced on 28 February 2006 of £104,987. This gives a total of £1,609,580 to invest in agreed activities.

Whilst this is the first award of potentially a 3 year programme, it is difficult to anticipate what if anything Walsall might receive in future years or if Government will consider different allocation criteria. Therefore it is felt prudent to consider this year's award as a one off windfall. Consequently all proposals have been costed on a 'whole life' basis and the detailed project plans will be developed with clear exit strategies in the event further funding is not forthcoming.

An assessment about the future anticipated levels of LABGI which might be available in future years will need to be considered as part of the Council's future budget setting process and officers will seek further clarification from government office.

The Council's medium term financial strategy has eight key objectives within which our finances are planned and managed. These apply to all aspects of financial activity, including the mainstream budget and the use of other sources of income such as

LABGI. The first two of the eight objectives that are particularly relevant in relation to LABGI are to ensure that:

1. Our financial planning and management contributes to the transformation, development and improvement of the organisation through policy-led resource allocation, the use of options appraisal, income maximisation, and the creation of headroom through savings and efficiency.

2. Our budget is set to enable delivery of the Council's defined priorities, ensuring that resources are allocated according to the corporate vision, aims, objectives and pledges.

Citizen Impact

The proposals that will be implemented through LABGI will aim to help improve the strength of the local economy the local environment, citizen engagement and crime reduction. The proposals will help to both safeguard existing employment and also create the environment to create new employment opportunities for local citizens.

Community Safety

Specific proposals promoted through LABGI will help to improve security in our key centres and areas, which will benefit businesses, their employees and customers. Further more the Summer Programme is a proven intervention to reduce incidents of anti-social behaviour during school holidays.

Environmental Impact

Specific proposals progressed through LABGI aim to significantly promote the sustainable development of the Borough and more environmentally friendly business practices. Additional investment in re cycling will help improve performance levels and address gaps in provision.

Performance and risk management issues

It is essential that a robust performance management approach is applied to the use of LABGI funding, to ensure its impact can be effectively assessed and to help inform future priorities under the initiative. This will link to the performance management arrangements being developed for the LAA which in turn link directly to the Council's own robust performance management processes.

Equality implications

The proposals progressed through LABGI aim to open up new economic opportunities for our diverse communities and will also look to unlock the economic potential of the wider community.

Consultation

The Regeneration, Environment, Housing and Community Safety Scrutiny and Performance Panel were invited to consider their priorities for LABGI in the context of the framework approved by Cabinet, which is outlined in appendix 1. At their meeting on 25 April 2006, the Panel recommended that Cabinet utilise LABGI funds to facilitate the roll out of the brown bins scheme and to increase the provision of Community Wardens across the Borough. A break down of proposed costs is outlined in appendix 2.

It is proposed that the majority of LABGI investment is aligned to established priorities that are defined in the corporate plan, service plans and the key outcomes within the LAA. All of these have been the subject of widespread consultation and engagement with key partners and stakeholders.

In developing the proposals informal consultations have been carried out with key partners, largely through the new Partnership for Walsall Enterprise and Regeneration (PoWER) which has responsibility for the delivery of the economic and economic development block of the LAA. In addition particular emphasis will be placed on communicating with businesses and business representative organisations about how LABGI will be used to stimulate future growth.

The process to develop detailed project delivery plans will also be undertaken in close consultation with key partners and stakeholders.

Vision 2008

The investments that will be implemented through the use of LAGBI aim to deliver some of the defined priorities within Vision 2008, most specifically in relation to building and sustaining a strong local economy, and creating a cleaner, greener borough.

Background papers

Various forms of ODPM guidance on the LABGI.
Community wardens service post April 2006 – report to Cabinet - 8 February 2006
Transitional funding options for the community wardens post April 2006 – Report to Regeneration, Environment, Housing and Community Safety Scrutiny and Performance Panel – 16 March 2006

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Signed: 

Signed: 

Executive Director: Tim Johnson

Portfolio Holder: Councillor Adrian Andrew

Date:

Date:

Appendix 1 - Framework for LABGI investment

It is envisaged that proposals within the emerging LABGI implementation plan will be developed in the context of addressing the following key themes:

- Ensuring proposals align to key priorities within Vision 2008, the Community Plan and our Local Area Agreement.

- Improving the competitiveness of Walsall as a location – for existing businesses and new investors

- Stimulating and supporting enterprise and new business growth – particularly in sectors and areas that display potential or display specific challenges

- Enhancing the role of Walsall in the wider region and sub-region.

- Improving our town and district centres – as focal points of the community and as key drivers of the local economy.

- Raising the aspirations of our citizens – particularly our young people

- Promoting positive and creative ways to engage our communities

- Promoting environmental sustainability within the Borough

- Enhancing Walsall Council's business friendly approach within the context of our strategic transformation approach

Appendix 2. Scrutiny Proposed Areas for use of LABGI 2005/06 award .

Borough wide garden waste collection	Links to the vision. To facilitate the full expansion of a kerbside collection service to all eligible properties	Increased satisfaction with Walsall	£310,000	Leisure and Culture Safer Stronger Communities, Partnerships and Vision 2021
Increased provision of Community Wardens	Will contribute to LAA outcomes and targets.	Reduced levels of anti-social behaviour Reduced crime levels	Ref. background papers on the continuation of the community wardens service post April 2006.	Regeneration and Enterprise

Appendix 3. LABGI Investment Plan (utilisation of 2005/06 award)

Proposal	Rationale	Anticipated Outcomes	Cost	Lead Portfolio
Raising Aspirations of our young citizens - Summer Programme 2006 Increase aspirations of young people through their involvement in imaginative programmes of engagement.	Key Partnership commitment that will contribute to LAA outcomes and targets. Links to Enterprising Futures, in terms of raising aspirations of our young citizens as potential wealth generators and a modern diverse workforce.	Reduced levels of anti-social behaviour Increase aspirations of young people as future entrepreneurs and wealth creators of the future.	£200,000	Leisure and Culture Safer Stronger Communities, Partnerships and Vision 2021
Walsall Sustainable Borough Programme – contribution to project team and programme to promote environmentally sustainable best practice and innovation to help improve business efficiencies (e.g. recycling, energy, design)	Relates directly to delivery of LAA outcomes Will manage the new environmental sustainability capital fund	Increased business recycling rates Higher proportion of buildings conforming to a higher environmental specifications and incorporating energy efficient best practice Businesses undertaking environmental projects	£100,000 – (split over 2 years)	Regeneration and Enterprise
Walsall Centres Management - delivery of a significant Centres management programme –focussed on Walsall Town Centre, the 5 district centres: Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall and potentially key	Relates directly to the delivery of specific LAA outcomes A key priority for the business sector Delivery of an intensive programme over 06/07 and 07/08 will provide the	Reduced numbers of vacant business floor space New business start ups Reduced crime levels Increased visitor satisfaction	£350,000 (split over 2 years	Regeneration and Enterprise

business parks. This will focus on delivering services such as enhanced promotions and events (including new themed markets), improving the visitor experience; improving the trading environment, reducing business crime etc. It will also cover all the feasibility costs for the establishment of a series of Business Improvement Districts (BID's)	necessary platform for the successful introduction of a series of Business Improvement Districts (BID's) which will provide a sustainable funding mechanism beyond 07/08.	Improved markets Increased business contributions Increased footfall		
Community Transport – linking people to opportunity. This investment will be targeted at Community Transport Partners, to develop imaginative transport approaches to ensure people are not blocked from training or employment opportunities through the lack of suitable transport provision	There is concern that some people within the Borough are precluded from employment or training opportunities simply because they are unable to access such opportunities	Increase in Training and Employment opportunities will contribute to LAA targets relating to worklessness	£50,000	Regeneration and Enterprise

Recycling - Additional investment into recycling activities. Secondly assessing the feasibility of new delivery models,. that will potentially deliver broader regeneration objectives e.g. social enterprises development	This will help increase recycling opportunities and will specifically help address some of the gaps in current provision. Will help develop an understanding of the potential to develop new delivery models involving local people and LNP's.	Increased recycling opportunities Improved performance against recycling PI's Development of new regeneration linked recycling initiatives	£200,000 over 2 years	Environment and Streetpride
Shopmobility Further improvements to the new town centre Shopmobility scheme to improve the user experience and promotional activity to promote the scheme to new users. Tie into Business Plan to make self funded.	Will enable the scheme to be developed and promoted to the level required by users, which in turn will help attract additional users and raise income levels. Make the town centre more accessible.	Increased users satisfaction Increase in the numbers of users and levels of income to help sustain the scheme Self funded scheme in 3 years	£30,000 over 2 years	Safer Stronger Communities, Partnerships and Vision 2021
Focussed Delivery Vehicle – Willenhall Pilot. Creation of a focussed delivery vehicle utilising the agreed SRF project arrangements. This will improve the co-ordination and delivery of the comprehensive regeneration of Central Willenhall with key partners.	Relates to specific LAA outcome. Links to a key priority emerging from the Strategic Regeneration framework for the Borough produced jointly with WHG. Will provide focussed delivery vehicle linked to LNP and the wider business, residential and	Delivery of added value capital receipts Increased investment levels Business creation New residential units Environmental renewal	£100,000 (split over 2 years)	Regeneration and Enterprise

	voluntary community.			
Enhanced Sub Regional and Regional working Investment in specific activity in relation to Black Country Investment to generate new inward investment and BC observatory to collate economic intelligence relating to the Borough.	Links to the outcomes of the Black Country Study and they development of pan black country programmes. Relates to the development of the City Regions Development Plan and the associated governance arrangements.	Increased Investment levels Advanced economic intelligence to improve understanding of sub-region and to support future funding bids. Improved co-ordination sub-regionally and regionally which benefits Walsall	£150,000	Leader Regeneration and Enterprise
Walsall's Transformation Programme – contribution to aspects of the transformation programme which potentially creates opportunity for local businesses and enterprise.	Contribution to aspects of the strategic transformation programme which potentially support local business (e.g. Smart procurement and ICT) and which helps improve the efficiency of our interface with business and partners.	Increased efficiencies Increase in the value of local suppliers Improved local procurement policies	£100,000 (split over 2 years)	Transformation and Performance Management
Enterprising Futures - Building Tomorrow's business. This will deliver a programme of activity to raise aspirations in our young people, stimulating an enterprise culture, promoting new economic sectors and building the potential of social enterprises and the wider community and voluntary	Relates to LAA stretch targets to increase business start up levels. It will also help to create an enterprise environment and targeted programmes of support.	Increased business start up particularly in deprived areas and specific groups Increased programmes to share best practice, learning, Innovation and specialist input. Creation of enterprise hub 'pilot' in communities	£150,000 (over 2 years	Children's Services Regeneration and Enterprise

sector in developing an enterprising borough.				
Walsall - a Borough of Enterprise – contribution to new co-ordinated and targeted marketing approach with key partners specifically the WRC and Walsall Helping Future Generations Company.	Targeted programme of activity to stimulate interest and investment in key sites/opportunities in line with the WRC Investment framework and the Strategic Regeneration Framework.	Increased investor interest More positive external perceptions Increased investment Support Capital Disposals Programme	£100,000 over 2 years	Regeneration and Enterprise
Vision 2021 – delivery of final phases of Appreciative inquiry programme and additional project activity to linked to other partner's Vision 2021 work.	Contribution to project management, event delivery, additional research and product production costs	New Vision with increased community and stakeholder support for Walsall. Sector specific understanding of 2021 horizon e.g. Futures Housing 2020 Increased citizen satisfaction and pride	£50,000	Safer Stronger Communities Partnerships and Vision 2021
LABGI Programme Management and project development	Development of robust processes to monitor the impact of LABGI investment, increased project development capacity and associated communication activity	High quality performance data Effective project delivery Effective Project communication	£30,000 Over 2 years	Regeneration and Enterprise
Totals			**£1,610,000**	

WALSALL METROPOLITAN BOROUGH COUNCIL

From:	CONSTITUTIONAL SERVICES	***To:***	
Copy resolutions:	Cabinet	***Date:***	14th June 2006

Local Authority Business Growth Initiative (LABGI) Investment Plan

Resolved

(1) That the LABGI investment plan covering 2006/07 and 2007/08 outlined in appendix 3 be approved and detailed project delivery plans be developed for each of the priority projects identified, in conjunction with the appropriate portfolio holders;

(2) That delegated authority be given to the Executive Directors for Regeneration and Corporate Services in conjunction with the appropriate portfolio holders to agree the detailed project delivery plans within the context of the Council's overall budget process and to amend the overall LABGI investment programme if required;

(3) That regular Performance Management and outcome updates be provided to both Cabinet and the Executive Management Team to ensure adequate performance of the agreed LABGI programme, within the context of the Council's agreed performance management framework;

(4) That the Regeneration, Environment, Housing and Community Safety Scrutiny and Performance Panel be advised of the decision.