

**ALLOCATION OF GRANT FROM THE LOCAL AUTHORITY BUSINESS GROWTH INCENTIVE SCHEME (LABGI)**

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**Background Papers:** Announcement letter from the Department of Communities & Local Government, dated 2<sup>nd</sup> April 2008. Additional Payment Details, April 2008.

**Financial Implications:** Investment of £136,000 grant into local projects. (It is hoped that projects will also be externally match funded)

**Equalities Implications:** All projects will be equality impact assessed

**Legal Implications:** None

**Options:** The grant is not ring fenced and could be used for other purposes. (See notes in Background detail below)

**Risks:** None identified

**EXECUTIVE SUMMARY**

The Council has received an additional grant of £136k from the government's Local Authority Business Growth Incentive Scheme. It is proposed that this grant be reinvested locally into projects which support the District's Community Strategy, particularly those which have a focus on issues which could impact on the Council's longer term economic ambitions. £45k has been allocated for the preparation of the next Economic Development Strategy. Project applications for the remaining £91K will be considered and approved through the local strategic partnership, PACT.

**DECISION:**

That members agree to allocate £91k of the LABGI grant to local projects, which focus on the District's economic ambitions and support the Community Strategy, for consideration and approval by PACT.

## **Background**

The Council has received an additional grant of £136k this year from the government's Local Authority Business Growth Incentive scheme (LABGI).

LABGI rewards councils that promote economic growth in their areas, by allowing them to retain a share of increases in revenue derived from business rates. This grant is an excellent reflection of the efforts Council is putting into supporting business growth and the development of new commercial sites in the district.

£45k of the grant has already been allocated to help meet some of the costs in preparing the District's new economic development strategy (2009-2013), and to help put extra capacity over a 12 month period into the work currently undertaken by the Economic Development team.

Although the money is not ring-fenced, this paper seeks the approval of Cabinet to make the remaining £91k of the grant available to Local Strategic Partnership (PACT), and to seek their (PACT) views as to where the money could be invested locally in projects which will support the district's Community Strategy.

It is further proposed that all project bids be offered for consideration, in the first instance, to the Economic Development Partnership Board. Bids will need to support the District's Community Strategy. Projects for example, in improving skills levels, developing our business start-up partnership with Business Development Services, providing assistance to the Business Improvements Districts (BIDs) project in Witham, and perhaps helping to market/promote the district to potential inward investors, will be considered. There are probably many more which partner agencies may wish to consider submitting for consideration.

It is hoped that all projects which are supported by the Board and endorsed by PACT will attract match-funding from other agencies.

The previous grant of £23,400 (2005/6) was spent on supporting the BIDs project in Witham; it provided some match funding for stakeholder events connected with London 2012; and also helped to meet some of the costs associated with promoting Business Continuity in our business community.

We understand that we are the only local authority which has a history of reinvesting the LABGI grant into addressing key issues which impact on its districts economic well being.