

BUSINESS GROWTH PROGRAMME – PROPOSED RE-PROFILING [Title]**REPORT TO EXECUTIVE**

DATE	10/12/2013
PORTFOLIO	ECONOMIC REGENERATION
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PURPOSE

1. To provide Members with a progress update.
2. For Members to approve a request to re-profile expenditure for the programme.

RECOMMENDATION

3. That Members approve the proposed re-profiling having considered the information contained in this report.

REASONS FOR RECOMMENDATION

4. Enquiries received from businesses in the first year of the programme have either been successfully supported by the Business Growth Programme or the Business Support team have assisted businesses to secure grants from other schemes e.g Accelerating Business Growth, Fuse Programme.
5. Given that some of the existing support initiatives are to come to an end in December 2014 means there will be a greater demand on the Business Growth Programme in year 2 and 3.
6. A recent marketing exercise has been undertaken to raise awareness of the Programme and this is envisaged to generate further demand on the Programme.

SUMMARY OF KEY POINTS**Background**

7. In April this year members approved the Year 1 delivery plan which set out how the programme is to be delivered. The delivery plan also set out the planned expenditure for the three years of the programme. See table 1, Appendix 1 .
8. The delivery plan also set out the existing provision of Business Support initiatives to

assist companies and that these existing provisions would be explored first before committing any of the resources from the Business Growth Programme.

9. In order to be flexible and enable the Council to be able to respond to the changing needs of business support requirements the Programme has been developed with three generic themes. These are: - SME Support; Workforce Development and Private Sector Investment Projects.

Update on themes

10. **SME Support** – to provide advice and assistance to support SME's to grow.

To date we have assisted two companies under this theme which has involved a Business Advisor working alongside them to help develop their forward planning, strategic direction and marketing of their businesses. In total the companies have received a total £2,900 of support.

Eight other enquiries that we have received under this theme have been directed to other business support initiatives as the companies have met their criteria of support.

11. **Workforce Development** – to assist businesses to up skill their existing workforce and secure a skills pipeline to respond to changing demands.

A key priority for the Council is to encourage and support apprenticeships. In May this year the Business Support Team carried out a survey with over 400 businesses to obtain a baseline of company's awareness and understanding of apprenticeships. One of the questions asked was whether financial assistance towards taking on an apprentice would this influence their decision to taken on an apprentice. The overall response was no it wouldn't.

In addition to the survey the business support team organised a joint event with the National Apprenticeship Service to raise awareness and promote apprenticeships. For those companies looking to take on apprentices the National Apprenticeship Service are able to provide some financial assistance.

For those enquiries where we have been asked about skills development/training support we have managed to source support either through Burnley College, UCLan and the Manufacturing Advisory Service.

Two companies who are being supported under the RGF Aerospace Supply Park programme have identified specific training requirements as part of their investment proposals and they will be financial assisted as part of their overall grant to relocate to Innovation Drive.

We have found through the enquiries we have had to date on this theme that the existing provision has been sufficient to meet their demands.

No funding has been allocated under this theme and as such we are proposing to move the funds allocated in the expenditure table into theme 3 'Private Sector Investment.

12. **Private Sector Investment.** – To secure private sector investment in the borough generating new jobs and apprenticeship opportunities.

Grants totalling £50,000 have been allocated to two companies. Two further applications are currently undergoing the consultation process which if successful will result in a further £21,900 being awarded for projects which will be completed by the end of March 2014. In total these four applications will create 44.5 new jobs.

The Business Support team are working with a further 6 companies at present that are seeking support under this theme with their planned expenditure rolling over into year 2 of the programme.

A letter recently went out to businesses raising awareness of the programme and it is expected that this generate a number of new enquiries which can be followed up and will lead to further expenditure.

Other Considerations

13. The Business Growth Fund is being used as a fund of last resort. The Business Support Team have assisted nine businesses with applications to the Accelerating Business Growth Programme which is managed by Regenerate Pennine Lancashire (RPL). These businesses have received /are about to receive grants totalling £781,684, leveraging in £5,786,178 of private sector investment, creating 126 new jobs and safeguarding 63 jobs.

While this is excellent for the companies, Members should note that the Accelerating Business Growth Programme is due to end in December 2014. This will of course leave a significant gap which will lead to demand for the Business Growth Programme towards the end of 2014/15 and in 2015/16.

The Business Support Team also manage the RGF Aerospace Supply Park Programme and are working with five businesses. Two applications are ready for approval with a total grant value of £351,000 generating 54 new job outputs and leveraging in £2,957,540. This too has an end date of December 2014 which again will increase the demand for BGP funding.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

14. At the Executive meeting on the 15th January Members gave approval to commit £1,000,000 over the next three financial years to deliver the Business Growth Programme (2013-2016).

POLICY IMPLICATIONS

15. The Programme is contributing to delivering the Council's corporate objectives on Prosperity.

DETAILS OF CONSULTATION

16. None.

BACKGROUND PAPERS

17. None.

FURTHER INFORMATION**PLEASE CONTACT:****Kath Hudson (Ext 7211)****ALSO:****Kate Ingram (7271)**

Table 1

Original Three Year Funding Profile

Burnley Business Growth Support Programme				
Proposed Budget Profile				
Theme	Year 1 2013/2014	Year 2 2014/2015	Year 3 2015/2016	Totals
SME Support	£50,000	£50,000	£50,000	£150,000
Workforce Development	£60,000	£80,000	£70,000	£210,000
Private Sector Investment	£147,000	£307,000	£147,000	£601,000
Programme Management	£13,000	£13,000	£13,000	£39,000
Totals	£270,000	£450,000	£280,000	£1,000,000.00

Revised - Three Year Funding Profile

Burnley Business Growth Support Programme				
Proposed Budget Profile				
Theme	Year 1 2013/2014	Year 2 2014/2015	Year 3 2015/2016	Totals
SME Support	£2,900	£40,000	£40,000	£82,900
Private Sector Investment	£71,900	£375,000	£431,200	£878,100
Programme Management	£13,000	£13,000	£13,000	£39,000
Totals	£87,800	£428,000	£484,200	£1,000,000.00

Notes

Year 1 spend is based on application approved and applications currently being processed that will be paid out by the end of March 2014.

SME Support

Reduced total largely due to the slow take up in the first year. However, existing start up programmes currently being delivered will begin to drop off and therefore still envisage a need for this area of support.

Workforce Development

The three of Workforce Development has been removed (as per the reasons outlined in the main report) and the funding has been allocated into the Private Sector Investment theme based on anticipated spend in years 2 & 3.

Private Sector Investment Given that programmes like Fuse, Accelerating Business Growth and the Aerospace Supply Projects are due to close by the end of December 2014 there will be a greater demand on the Business Growth Programme.

