

## REPORT TO EXECUTIVE



<b>DATE</b>	<b>15<sup>th</sup> January 2013</b>
<b>PORTFOLIO</b>	<b>Regeneration and Economic Development</b>
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## Burnley Business Growth Programme 2013-16

## PURPOSE

1. The purpose of this report is to seek approval for a new Business Growth Programme which will run over the next 3 yrs. The programme is aimed at increasing business competitiveness, securing new jobs in the borough, adding to existing provision and giving the Council the ability to respond flexibly and promptly to business growth opportunities as they arise during the period.

## RECOMMENDATION

2. It is recommended that the Executive:
  - i) Approve the Business Growth Programme detailed in the report.
  - ii) Recommend to Full Council the establishment of a budget of £1,000,000 over the next three years as outlined in Appendix 1, to resource the programme.
  - iii) Approve the revised Business Grants Procedures detailed in Appendix 2.
  - iv) Delegate's authority to the Head of Regeneration and Planning Policy to approve grants up to £20,000 in line with the Council's Revised Business Grants Procedures.
  - v) Delegate's authority to the Director of Economic Regeneration to approve grants of up to £50,000 in line with the Council's Revised Business Grants Procedures, as set out in Paragraph 25 of Appendix 2.
  - vi) Delegate's authority to the Director of Resources in consultation with the Executive Member for Regeneration and Economic Regeneration to approve grants of over £50,000 in line with the Council's Revised Business Grants Procedures, as set out in Paragraph 25 of Appendix 2.
  - vii) Approve an annual Delivery Plan for the programme, and delegate any in year revisions to the plan to the Director of Economic Regeneration in consultation with the Executive Member for Regeneration and Economic Development

## REASONS FOR RECOMMENDATION

3. To enable the Council to deliver a responsive business support programme over

the next 3 yrs.

## SUMMARY OF KEY POINTS

### 4. Existing Council support to Burnley businesses

The Council currently provides a Business Support Service both directly through the Business Support Team (BST) and indirectly through partner organisations. Our Business Support Service currently provides:

- a) **Support to existing businesses to grow and expand** – the BST provide advice and support to a range of businesses matching them with relevant support organisations and financing bodies to assist them to grow, as well as assisting with land, property and planning issues. The team works closely with Regenerate Pennine Lancashire (RPL) who run a number of schemes on behalf of local authorities in Lancashire. This includes the Accelerating Business Growth scheme which offers grants of between £20,000 and £150,000 to support businesses to make capital investments generating business growth. To date 4 Burnley businesses have benefitted in the scheme resulting in £2.8 private investment and 59 jobs created. The Lancashire Innovation Network provides advice and small grants to businesses investing in technology, product development and e-business. The Council's business support team pro-actively work with Burnley businesses to ensure that they benefit from these programmes.
- b) **Support to New Businesses** – support for new businesses are funded through external funding programmes such as European Regional Development Funding (ERDF) and is delivered across Pennine Lancashire. Winning Pitch and Enterprise for All (external business support agencies) deliver the Pennine LEAP, a programme which targets support for high growth businesses and Burnley Enterprise Trust provides generic business start-up support through the Start Up Lancashire Scheme and Barclays Get Ready programme. The recently launched Lancashire Business Enterprise Scheme provides support and grants up to £40,000 for new start businesses in the first 36 months of operation.
- c) **Inward Investment** – the Council's BST provides direct help and support for businesses looking to re-locate to the Borough. Newly re-located businesses continue to receive on-going support from the Business Support team acting as a one stop shop to link with other Council services and other support agencies and programmes. The Council in partnership with Aircelle has recently been awarded £1.3m of Regional Growth Fund to provide business grants to aerospace related businesses relocating to or expanding on the Aerospace Supplier Park (the former Michelin site).
- d) **Apprenticeships** – the BST actively promote apprenticeships and a national grant programme that awards businesses £1,500 for their first apprentice. The team work closely with businesses and various providers of apprenticeship training.

The business support landscape has been constantly changing over the last 18

months following the dissolution of the North West Development Agency and Business Link. The Executive should note that it is highly likely that this change will continue for some time yet and it will be important that the Council's business support activity is kept under review to ensure it is delivering complimentary and additional support.

Actively supporting and promoting local business is an key priority for the Council and to reinforce that commitment for the next three years the following programme is proposed.

### **Burnley Business Growth Programme**

a) **The aim of the programme is to:**

- To secure business growth and new jobs for the borough
- To secure training, apprenticeship and job opportunities for young people arising from jobs growth.
- To add to existing provision, producing a comprehensive suite of support that will enable most business support needs to be addressed.

Based on an analysis of existing activities and feedback from businesses and partners, key gaps in the support environment include;

- Financial support for non-capital investment.
- Support for bespoke training and skills.
- Financial support for businesses re-locations.
- Bespoke advice and support (for example the type of specialist support previously delivered by the Manufacturing Advisory Service,(MAS)
- Business sustainability.

The Executive should note that this list is not exhaustive but in the context of a changing environment gives an indication of the initial main areas we would envisage supporting.

b) **Programme Themes.**

In order to remain flexible to business needs and to prevent duplication with other provision the proposal does not include specific projects in this time, but sets out three themes with targets against which projects, grants and activities will be delivered.

1. SME ( small and medium sized enterprises ) Support – to provide advice and assistance to support SME's to grow, sustaining and generating new jobs
2. Workforce Development - to assist businesses to up skill their existing workforce and secure a skills pipeline to respond to changing demands
3. Private Sector Investment - To secure private sector investment in the borough generating new jobs and apprenticeship opportunities.

The initial financial phasing of the programme related to the above themes is set out in Appendix 1 to the report.

c) **Programme Impact.**

Over a three year period, it is estimated the programme will deliver the following outputs:

- 75 businesses supported
- 250 jobs created
- 75 jobs safeguarded
- 4 inward investment projects
- 10 relocation/business growth projects
- £5m private sector investment levered
- 30 higher level apprentices
- 45 businesses taking on an apprentice for the first time
- 10 businesses supported with workforce development
- 200 people receiving skills training.

d) **Programme Delivery and monitoring**

On an annual basis the Executive will approve an overall delivery plan for the programme that will both set the framework for the activity in the year ahead and monitor progress to date.

It is possible that there could be need to refine the delivery plan in year. It is proposed that any such revisions would be approved by the Director of Economic Regeneration in consultation with the Executive Member for Regeneration and Economic Development.

Programme activity will be reported twice a year through the score card system for the Economic Regeneration Directorate.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

5. The programme requires the Council to commit resources of £1,000,000 over the next three financial years as outlined in Appendix 1.

The programme will be resourced through the use of earmarked reserves.

## **POLICY IMPLICATIONS**

6. The programme will significantly contribute to delivering the Council's corporate objectives on Prosperity.

## **DETAILS OF CONSULTATION**

7. Director of Economic Regeneration  
Director of Resources  
Head of Regeneration and Planning Policy

## **BACKGROUND PAPERS**

8. None

## **FURTHER INFORMATION**

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