



REPORT FROM: HOUSING, HEALTH AND ECONOMIC
DEVELOPMENT SERVICES MANAGER

TO: EXECUTIVE

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GEARING UP FOR GROWTH BUSINESS SUPPORT PROGRAMME

PURPOSE OF REPORT

To update Members on the achievements of the Gearing up for Growth Programme during 2015/16. To propose activity and budget allocations for a three year programme in 2016/19.

RECOMMENDATIONS

That the Executive:-

1. Note the programme's achievements during the last financial year.
2. Approve the proposed activity and respective budget allocations for the programme over the next three years 2016/19.

REASON FOR RECOMMENDATIONS

To update Members on the achievements of the programme in 2015/16 and to agree the the programme for the next three years 2016/19.

BACKGROUND

1. The Jobs and Growth Strategy was approved by the Executive in November 2013. To order to deliver the Jobs and Growth Strategy the Council identified the need to support the expansion of existing companies as well as the growth of new companies.
2. For the past 4 years the Council has approved funding for the Gearing up for Growth programme. The aim of the Gearing up for Growth Programme is to:

- increase business competitiveness
- create new job opportunities
- safeguard existing jobs
- stimulate private sector investment
- retain expanding local companies
- attract new companies to the Borough
- increase skills in local companies
- allow the Council to respond positively to business growth

3. The main elements included in the current programme are:

- **Start up** grant support - 50% of eligible cost up to max £2,000
- **Grants for Growth** - 25% of eligible costs up to £10,000
- **Work Inspiration** - annual event to allow pupils aged 13-14 years to see jobs on offer locally
- **Business Month** - annual event providing specialist information to improve performance of local companies
- **Vision Board** – Group of key local companies lobbying for and supporting development of the local economy. The Vision Board have oversight of the bi-annual Pendle Business Awards.

	Start up Grants	Growth Grants	Work Inspiration	Business Month	Vision Board	Business Class Hub
Increase business competitiveness		X	X	X	X	
Create new job opportunities	X	X				
Safeguard existing jobs		X				
Support Private sector investment	X	X				
Retain expanding local companies		X				
Attract new companies		X				
Increase skills			X	X		X
Allow the Council to respond positively	X	X	X	X	X	X

REVIEW OF ACHIEVEMENTS AND SPEND TO DATE

4. Since September 2012 the Gearing up for Growth programme has;

- Created 128 new businesses
- Supported 37 businesses to grow (a further 6 have been approved for support)
- Created 324 new jobs (further 217 projected)
- Increased private sector investment £1,515,021 million (further £562,924 projected)
- Held 12 business seminars annually during business month

- Hosted Work Inspiration event annually for c340 Pendle students and 25 businesses
5. In 2015/16 the programme achieved;
- The creation of 15 new businesses
 - 8 of the above new businesses are located within Pendle's deprived wards therefore the grant scheme is creating jobs in the areas of the borough most in need
 - Delivered a 93% survival rate of start-up businesses supported. As a comparison Enterprise Lancashire would expect an 80% survival rate after 12 months and 60-65% survival rate after 18 months
 - Supported 12 businesses to grow
 - Created 76 new jobs
 - Delivered excellent value for money on the public cost per job. The start-up programme delivered an average cost per job of £481 and the Grants for Growth programme delivered an average cost per job of just £1477. This compares favourably with other funding programmes, for instance RPL's Fuse Fund had a target of £10,000 per job
 - Increased private sector investment £385k
 - Held 12 business seminars during business month
 - Hosted Work Inspiration event for Pendle Year 9 students and 25 businesses

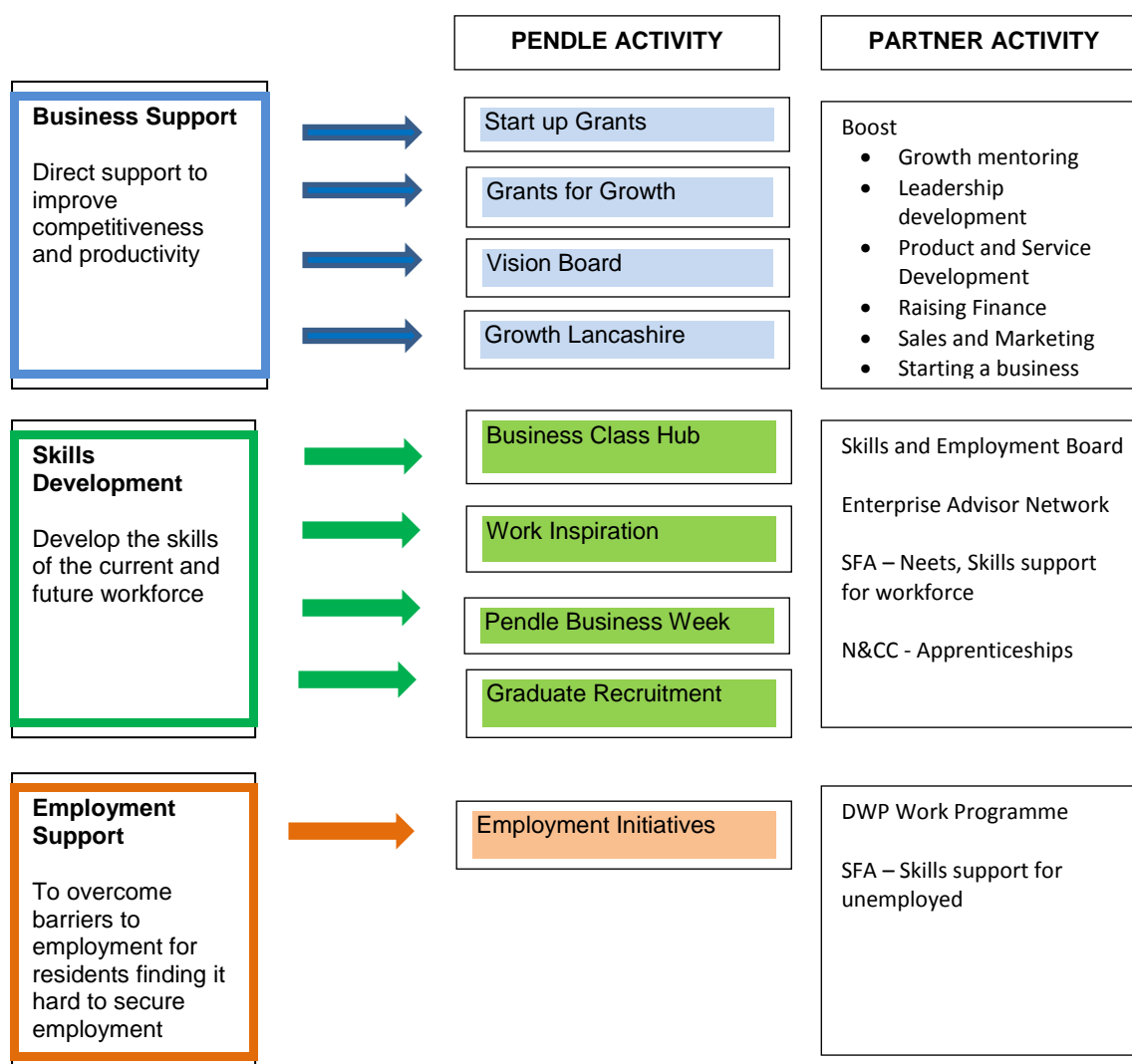
PROPOSED 2016/19 PROGRAMME

6. The Gearing up for Growth programme was developed to take account of the needs of the local economy but not duplicate support available to Pendle companies from other agencies
7. We want to make best use of the Councils limited resources and allocate it in a way that supports both the residents and businesses to contribute to the economic sustainability of the Borough. There are three main areas where the Council can usefully intervene:

Business Support - Direct support to improve the efficiency and sustainability of local businesses

Skills Development – Support to develop the skills of the current and future workforce to maintain competitiveness and productivity.

Employment Support – Help to overcome barriers to employment for our residents finding it hard to secure employment.



PROPOSED AREAS OF ACTIVITY FOR 2016/19

BUSINESS SUPPORT

Start up Pendle

8. It is proposed that this successful grant scheme to support the start-up of local businesses within Pendle be continued throughout 2016/19. These small grants of up to £2,000 have resulted in the creation of 128 new businesses which are helping to diversify the local economy and become the employers of the future.
9. As well as providing financial support, the start-up programme buys-in business advice from Enterprise Lancashire (Enterprise Trusts) to ensure they can provide robust business plans with their applications. Businesses can receive up to 3 hours of free business advice.
10. An allocation of £30,000 per year for the next three years is proposed to this element of the programme

Grants for Growth

11. The aim of these grants is to stimulate private sector investment which will support growth in our existing companies and increase their competitiveness. Grants of £10,000 are available where total project costs are £40,000k or above and the proposal results in new job creation. There have been 37 grants approved so far which are expected to generate of 281 new jobs and over £1.35m increased private sector investment.
12. An allocation of £100,000 is proposed for 2016-17 and £80,000 for the following 2 years

Vision Board

13. To increase the effectiveness of the Vision Board members to act as ambassadors for the Borough, it is proposed that we produce appropriate lobbying and promotional material. Suitable options will be discussed by the Chairman's group of the Vision Board in the future.
14. In 2015 the Vision Board membership was expanded to include growing Pendle businesses; such as Riggs Autopack Ltd and JD Engineering Ltd. The Vision Board meetings have also been restructured to ensure each meeting covers a theme, so far these have included; skills agenda, connectivity (M65 corridor study) and the Apprenticeship Levy.
15. An allocation of £8,000 is proposed for two years 2016/17 and 2017/18 and a further £7,000 in 2018/19 to support the work of the Vision Board in lobbying for the local economy.

Growth Lancashire (formerly Regenerate Pennine Lancashire)

16. Regenerate Pennine Lancashire was developed by the East Lancashire local authorities to be the delivery vehicle for the sub region and all local authorities made an annual contribution to maintain it. Since the advent of the Lancashire Enterprise Partnership (LEP) the remit for Regenerate was widened to include the whole of Lancashire hence the change of name to Growth Lancashire. Growth Lancashire delivers the LEP Growth Hub (Boost Business Lancashire). This involves providing a one stop shop for all business support enquiries across Lancashire.
17. There are a number of initiatives available to Pendle businesses through Growth Lancashire and we actively promote these services.
18. A £30,260 allocation is proposed for the next two years to support the continued delivery of initiatives by Growth Lancashire.

SKILLS DEVELOPMENT

Business Class Hub

19. This year the Grants Panel approved an allocation of £40,000 for the Pendle Business Class Hub which is a 3-year pilot project in partnership with Business in the Community (BITC). The project aims to address the concerns raised by local businesses about the work readiness of school leavers. The project will help align education and employment by creating effective and mutually beneficial partnerships between schools and businesses to improve academic achievement and increase employability.

To date we have secured commitment from West Craven High and Marsden Heights Community College to take part in the 3 year pilot. Each of the two schools has three local employers engaged with the school. (A list of employers engaged is provided in Appendix 1). The pilot will begin delivery in the new academic year, September 2016.

Work Inspiration Event

20. Working in partnership with Nelson & Colne College, Business in the Community, STEM and local businesses we held a one-day event at the College in February 2015 and 2016. The event allows pupils aged 13-14 years to try small practical activities with the businesses to learn about their industry.
21. All 6 Pendle secondary schools participated, with over 340 pupils attending and 24 businesses took part to show the pupils what job opportunities there are locally. Overall the pupils, teachers and businesses said it was a worth-while and enlightening process.
22. It is proposed to run this event for the next three years at a cost of approx. £1,500 per annum.

Pendle Business Week

23. During November 2015 we hosted a programme of events/workshops over one month to inform local businesses of the support available and advice on how to develop their businesses. The topics included business start-up advice, getting finance support and achieving sustainable growth. Over 150 individuals attended the business events. The feedback from attendees showed the events were well received and useful.
24. In all other years, the event has been used as a tool to package events together and market them directly to Pendle businesses to ensure that as many local businesses as possible benefited from the support available. Due to the changed landscape of business support available in East Lancashire and the pressure on public funds, there were no existing training events being delivered by other business support agencies in November 2015 (this was also the case in October 2014). This meant the Council had to procure, organise and market all events in the programme in 2015 resulting in the event being a much bigger task for the team to deliver.
25. The evaluation of last year's event found that business month is still a worthwhile event but we have to consider whether the results merit the intensive staff resources now required to deliver the event in Pendle.
26. It is proposed to run a series of business support events in autumn this year but further discussions with other business support agencies need to happen before we can make firm recommendations about the best approach to business month in future. We propose to allocate £5,000 per annum for the next 3 years to maintain this activity

Graduate Recruitment

27. In order to make the best use of the available resource the Gearing up for Growth Grants Panel agreed in July 2015 that it would be best to stop the Graduate Programme. The allocation of funding for graduates (£145,400) is the residual funding required for the already committed graduate allocations

EMPLOYMENT SUPPORT

Employment Initiative

28. As can be seen from the above diagram with our current program we already have activities that address business support and skill development but we do not have activity supporting people back into employment. We have recently been in discussions with Job Centre Plus (JCP) to determine what support we could provide. The area of concern in Pendle is the number of people currently claiming Employment and Support Allowance (ESA). JCP have a local fund which we can bid into to help finance a project that will support these residents back into work. This type of project needs to be run for at least 3 years in order to be effective so the proposal is to bid for JCP funding and provide match funding of £100,000 from the Business Growth Reserve.
29. The total funding available in the Business Growth Reserve for 2016/19 is £738,420. The table below shows the spend for the programme in 2015-16 and the proposed budget for the three years 2016/19. The final column in the table shows how the available funding would be distributed across the proposed areas of activity in the programme.
30. The proposed programme will give the Council a balance of activity across all three areas of activity and by making the provision over 3 years gives the programme added sustainability for local businesses.

	2015-16 Budget	2015-16 Spend	Variance	Committed 2016-17	Budget 2016-17	Budget 2017-18	Budget 2018-19	Total 2016-19
Business Support								
Staff Resource	29,740	18,790	0					
Business Start Up Grants	72,030	24,070	(47,960)	15,960	30,000	30,000	30,000	90,000
Grants for Growth	206,350	81,208	(125,142)	67,430	100,000	80,000	80,000	260,000
Vision Board	33,830	192	(33,638)	22,310	8,000	8,000	7,000	23,000
Growth Lancashire	30,000	30,255	255	30,260	30,260	30,260		60,520
Skills Development	-				0			
Skills in to Employment (Pendle Business Class Hub)	40,000	0	(40,000)	40,000	40,000	0		40,000
Work Inspiration	2,740	330	(2,410)		1,500	1,500	1,500	4,500
Pendle Business Week	9,280	3,837	(5,443)		5,000	5,000	5,000	15,000
Graduate Recruitment	206,000	32,803	(173,197)	145,400	145,400	0		145,400
Employment Support								
Into Employment Initiative					100,000			100,000
Contribution to Tour of Britain	24,720	24,720						
	654,690	216,205	427,534	321,360	460,160	154,760	123,500	738,420

IMPLICATIONS

Policy: The continued delivery of the business support service will help the Council to meet its Strategic Objective of Sustaining successful regeneration and sustainable

development. .

Financial: Members approved funding for the Business Growth Incentive Reserve at their meeting on 26th June 2014.

Legal: None arising from the report.

Risk Management: None arising from the report

Health and Safety: None arising from the report

Sustainability: Having a three year allocation of funding gives businesses confidence in the sustainability of the support available.

Community Safety: None arising from the report

Equality and Diversity: The successful delivery and extension of the business support service will continue to make Pendle a place to visit, live, play and invest in. The economic growth of local businesses impacts on the local job market and the local economy; therefore, an enhanced service will benefit all sectors of the community in the long-term.

APPENDICES

Appendix 1

List of employers engaged with the Pendle Business Class Hub.

LIST OF BACKGROUND PAPERS

None

Employers engaged with schools taking part in the Pendle Business Class Hub:

Marsden Heights Community College

1. Daisy Communications
2. Businesswise Solutions
3. 3B Systems

West Craven High

1. Silent Night
2. Hope Technology
3. Cottages.com