

**REPORT FROM: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER**

TO: EXECUTIVE

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GEARING UP FOR GROWTH

PURPOSE OF REPORT

To update Members on the achievements of the Gearing up for Growth Programme during 2016/17.

To propose activity and budget allocations for the remaining 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 in 2017/18;
3. Note the intention to consider the introduction of a loan scheme to replace both Start-Up and Growth Grants and to explore the scope to fund Gearing up for Growth activity from capital resources;
4. Note that a further report providing an update on the Gearing up for Growth Programme be brought back to a subsequent meeting of the Executive.

REASON FOR RECOMMENDATIONS

To update Members on the achievements of the programme in 2016/17 and to consider the programme for the next two years 2017/19.

BACKGROUND

1. The Jobs and Growth Strategy was approved by the Executive in November 2013. 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. Since 2013 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 Week** - 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.
 - **Business Class Hub/Enterprise Advisors** linking schools and businesses to increase skills, employability and aspirations of the future workforce.

	Start up Grants	Grants For Growth	Work Inspiration	Business Week	Vision Board	Business Class Hub/Enterprise Advisors.
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 its inception the Gearing up for Growth programme has;
 - Helped create 144 new businesses
 - Supported 51 businesses to grow (a further 4 have been approved for grant support)
 - Helped create 393 new jobs
 - Increased private sector investment of £2,842 million
 - Hosted Work Inspiration event annually for c340 Pendle students and 25 businesses
5. In 2016/17 the programme:-
 - Has facilitated the creation of 16 new businesses
 - Supported 14 businesses to grow
 - Helped create 59.5 new jobs
 - Delivered excellent value for money on the public cost per job. The start-up programme delivered an average cost per job of £1,104 and the Grants for Growth programme delivered an average cost per job of just £1863. This compares favourably with other funding programmes.
 - Increased private sector investment by £764k
 - Held 16 business seminars during business week, which were attended by 246 delegates
 - Hosted Work Inspiration event for Pendle Year 9 students and 24 businesses
 - Pendle Business Class Hub linked 5 businesses with two Pendle Schools. This was the first year of a three year pilot programme, managed by Business In The Community (BITC).

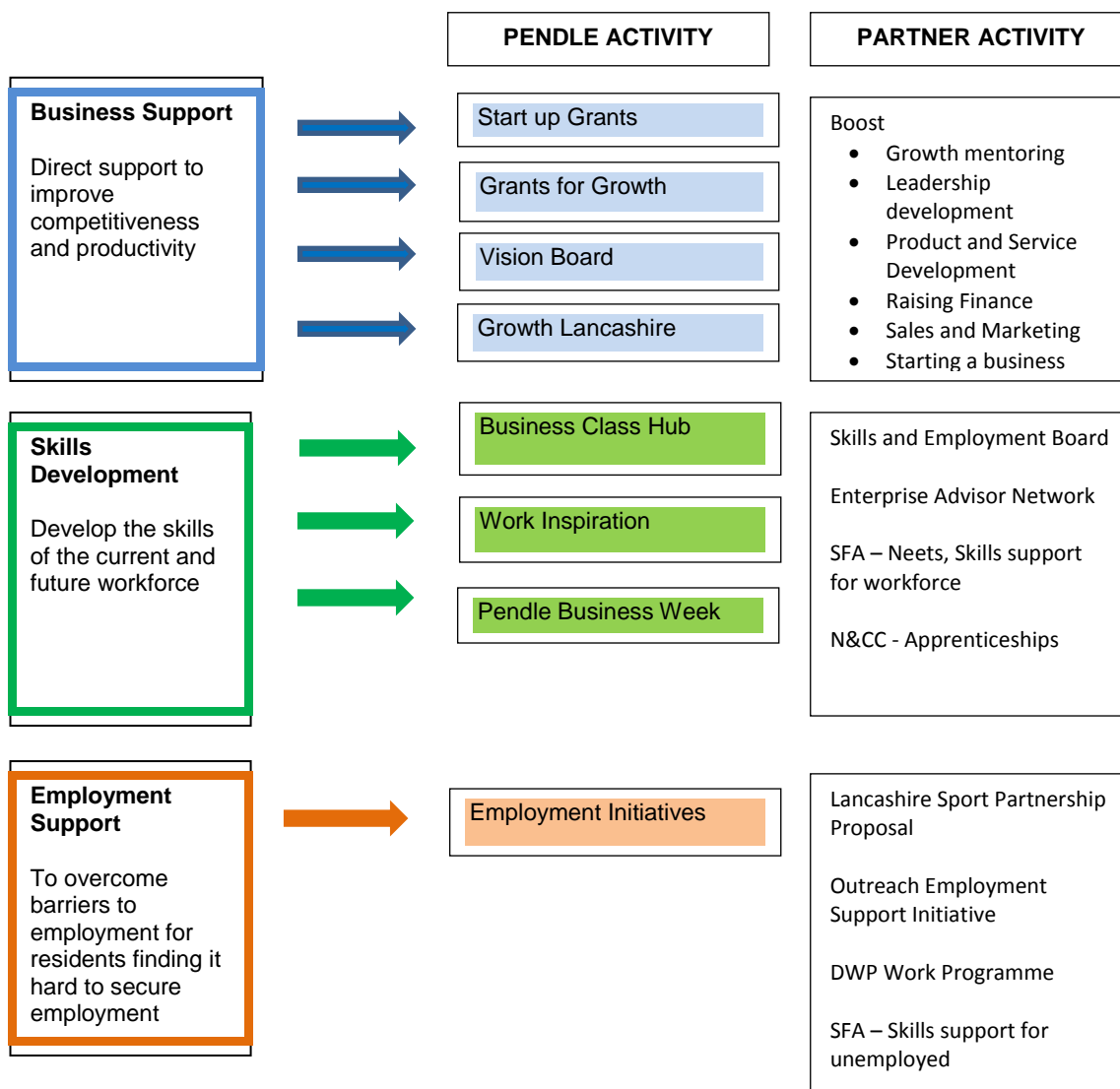
PROGRAMME FOR 2017/18

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 2017/18

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 2017/18. These small grants of up to £2,000 have resulted in the creation of 144 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 is proposed for 2017/18.

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 £40,000 or above and the proposal results in new job creation. There have been 51 grants approved so far which are expected to generate of 381 new jobs and over £2.08m increased private sector investment.
12. An allocation of £80,000 for 2017/18 is proposed.

Review of Start Up and Growth Grants

13. As a continued review of the grant programme offered through the Gearing Up For Growth programme, the Business Support Team are looking at the type of funding offered by other authorities. A further report will follow outlining various options including a loans and equity financing to assist the growth of Pendle businesses whilst also considering the sustainability of the funding available.
14. Similarly, consideration will be given to the scope for capitalising grant payments which, subject to the availability of capital funding, may provide a further opportunity to extend the Gearing up for Growth Programme beyond 2019.

Vision Board

15. 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 for the business activity in the area. Suitable options will be discussed by the Chairman's group of the Vision Board in the future.
16. In the last year, a Promoting Pendle Film has been commissioned and produced to showcase Pendle as place to do business; the film highlights the diverse range of businesses in the area, and aims to raise the business profile of Pendle and is being promoted through the Visit Pendle Site at Boundary Mill, via Social Media and by businesses on their own websites.
17. The Vision Board has also supported the introduction of Pendle Connects. This is a new business networking initiative, which will run quarterly. The networking event will be open to all Pendle businesses and includes an expert panel based around a changing theme and presents a chance for business-to-business networking. This is funded through the Vision Board and free to attend from October 2017.
18. An allocation of £8,000 is proposed for 2017/18 and a further provisional allocation of £7,000 is proposed in 2018/19 to support the work of the Vision Board in lobbying, promoting the local economy and funding the Pendle Connects events.

Growth Lancashire (formerly Regenerate Pennine Lancashire)

19. 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 has 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.

20. There are a number of initiatives available to Pendle businesses through Growth Lancashire and we actively promote these services, including the BOOST business support programme.
21. From March 2016 to July 2017 BOOST Lancashire have given growth support/mentoring to 27 existing Pendle based businesses, this support has helped create 29 new jobs in the area. In addition to supporting existing Pendle businesses 7 new entrepreneurs have also received mentoring support.
22. A £30,000 (£15,000 each year) allocation is proposed for the next two years to support the continued delivery of initiatives by Growth Lancashire and as part of funding agreement Growth Lancashire have agreed to undertake elements of work on behalf of the Council, including building occupancy surveys and updating the Pendle Companies register.

SKILLS DEVELOPMENT

Business Class Hub

23. In the 2015/16 the Grants Panel approved an allocation of £40,000 (£13,000 per academic year) 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 helps to align education and employment by creating effective and mutually beneficial partnerships between schools and businesses to improve academic achievement and increase employability.
24. In 2015/16 we 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. Marsden Heights Community College focused on Careers Talks, and training for the school council. In total 200 pupils received direct contact with local businesses. West Craven High School highlighted the need to raise student confidence. A whole year group of 100 students received CV Workshops.
25. The pilot began delivery in September 2016, and will continue to develop over the next two academic years. The Hub activities are developed based on the areas identified on the schools individual needs analysis.

Enterprise Advisor Network

26. To complement the Business Class Hub, the Lancashire Enterprise Partnership (LEP) Skills Board working with the Careers and Enterprise Company have created an Enterprise Advisers Network for all Pendle Schools. Each Secondary school in Pendle and Nelson and Colne College has been linked with an Enterprise Adviser drawn from local businesses. They will work directly with the leadership of individual schools to develop effective employer engagement programmes and accessing links to their wider network of businesses. The Enterprise Advisers are asked to work with a school for an Academic year.

Work Inspiration Event

27. Working in partnership with Nelson and Colne College, and local businesses we held a one-day event at the College in annually in February each year. The event allows pupils aged 13-14 years to try small practical activities with the businesses to learn about their industry.

28. At the event in February 2017, all 6 Pendle secondary schools participated, with over 340 pupils attending. Local 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.
29. It is proposed to continue to run this event in February 2018 at a cost of approx. £1,500 per annum.

Pendle Business Week

30. During Pendle Business Week, Pendle Council and Pendle Vision, along with a host of business specialists, ran a series of seminars and workshops for local businesses. The aim is to improve the business environment, skills and confidence for businesses to start and grow here in Pendle.
31. During Pendle Business Week 2016, 16 events were organised with a total of 246 businesses attending the sessions. This compares to 157 businesses who attended the 2015 business month representing a 57% increase in the number of businesses benefitting from this year's business week. This is the highest number since the first business month which started in 2012.
32. A change in format from the previous business month to a concentrated business week saw increased attendees. The significantly increased number of businesses attending and the number of sessions that were held has shown that the new format for 2016 was much more successful. For next year, the new one week format should continue as should the month; October.
33. It is proposed to run a series of business support events again in autumn this year. Working closely with other business support agencies (such as BOOST), to deliver a week of free business support/learning seminars and workshops.
34. It is proposed to allocate £5,000 per annum for the next 2 years to maintain this activity, and continue to grow the number of businesses assisted.

Graduate Recruitment

35. 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. There is currently only one Pendle business still receiving funding from the graduate programme, and there are also presently two graduates placed within Pendle Council.
36. Prior to the agreement to stop the programme it was agreed that a further graduate would be recruited by Pendle Borough Council (Neighbourhood Services). As yet this graduate is not in place, so funding is still required for the coming two years.
37. An allocation of £101,300 funding for the remaining graduates placements is required. This is reduction of £44,100 from the original budget allocation.

EMPLOYMENT SUPPORT

Employment Initiative

38. As can be seen from the above diagram with our current programme 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) and key partners to determine what support could be provided over the next two years through the £100,000 from the Business Growth Reserve.
39. The area of concern in Pendle is the number of people currently claiming Employment and Support Allowance (ESA), We are in discussions with JCP to develop two initiatives to support this cohort back into work:

Employment Support initiative (£100,000)

40. We are working with partners such as Job Centre Plus, East Lancashire CCG and Bootstrap to develop an Employment Support Initiative targeting Pendle's priority wards and in particular those that are in receipt of Employment and Support Allowance (ESA). Work on this is at an early stage and a further report on this matter will be brought to the Executive in due course.

Lancashire Sports Partnership (LSP) proposal (£50,000)

41. Around 45% of Pendle ESA claimants experience poor mental health and wellbeing. The proposed initiative with the LSP aims to improve mental health through sport and physical activity interventions and in doing so, improve ability and confidence in accessing the job market.
42. LSP will deliver the 2 year project, working in partnership with the Pendle Leisure Trust and Job Centre Plus, to offer beneficiaries a range of free community based exercise opportunities as part of a wider support package for their recovery journey.
43. The total cost of the project is £90,000, with the £40,000 match funding to be secured by PBC and PLT:

	2017/18	2018/19
PBC- Business Growth Reserve	£25,000	£25,000
PBC- Sport England Small Grants	£10,000	£10,000
PLT- Awards for All	£10,000	£10,000
TOTAL	£45,000	£45,000

44. The project aims to commence in October 2017.

Funding Allocation Overview

45. The table in **Appendix A** shows the spend for the programme in 2016-17 and the proposed budget for the next two years 2017/19. The final column in the table shows how the available funding would be distributed across the proposed areas of activity in the programme.

46. The proposed programme will give the Council a balance of activity across all three areas of activity and by making the provision over the next two years gives the programme added sustainability for local businesses.

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 Gearing up for Growth Programme from the Business Growth Incentive Reserve at their meeting on 25th August 2016.

Acknowledging that funding the Gearing up for Growth Programme is met from a finite reserve, consideration will be given to the possibility of introducing loans and/or equity funding as a means of supporting business growth in the Borough. Similarly, the extent to which funding for business growth can be capitalised will also be explored albeit this will be subject to capital funding being allocated accordingly.

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 A - Gearing Up For Growth: Spend and budget allocations.

LIST OF BACKGROUND PAPERS

None