

REGENERATION & LIVEABILITY PORTFOLIO

DECISION SCHEDULE



Friday 2nd December 2005

at 10.00am

in Committee Room "D"

The Mayor Stuart Drummond responsible for Regeneration & Liveability will consider the following items.

1. KEY DECISIONS

1.1 None.

2. OTHER ITEMS REQUIRING DECISION

2.1 Local Enterprise Growth Initiative (LEGI).

3. REPORTS FROM OVERVIEW OF SCRUTINY FORUMS

3.1 None.

REGENERATION & LIVEABILITY PORTFOLIO

Report To Portfolio Holder

2ND December 2005



Report of: The Assistant Director (Planning and Economic Development)

Subject: LOCAL ENTERPRISE GROWTH INITIATIVE (LEGI)

SUMMARY

1.0 PURPOSE OF REPORT

1.1 To outline proposals for Hartlepool's Local Enterprise Growth Initiative bid with a view to seeking Portfolio Holder's approval of the bid submission by the deadline of 9th December 2005.

2.0 SUMMARY OF CONTENTS

2.1 A report detailing the main themes of the bid.

3.0 RELEVANCE TO PORTFOLIO MEMBER

3.1 Issues of Enterprise and Economic Development fall within the remit of the Portfolio Holder.

4.0 TYPE OF DECISION

4.1 Non Key.

5.0 DECISION MAKING ROUTE

5.1 The decision falls to the Portfolio Holder.

6.0 DECISION(S) REQUIRED

Approval of Hartlepool's LEGI bid submission.

Report of: The Assistant Director (Planning and Economic Development)

Subject: LOCAL ENTERPRISE GROWTH INITIATIVE (LEGI)

1. **PURPOSE OF REPORT**

1.1 To outline proposals for Hartlepool's Local Enterprise Growth Initiative bid with a view to seeking Portfolio Holder's approval of the bid submission by the deadline of 9th December 2005.

2. **BACKGROUND**

2.1 As previously reported, the Treasury Department has issued a green paper entitled Local Enterprise Growth Initiative (LEGI) aimed at stimulating enterprise and inward investment within the Neighbourhood Renewal Areas. The national level aim of LEGI is "To release the productivity and economic potential of our most deprived local areas and their inhabitants through enterprise and investment – thereby boosting local incomes and employment opportunities".

2.2 The programme has three key strands detailed below:

- Business Start up and Social Enterprise
- Business Growth
- Inward Investment

2.3 The key national outcomes are detailed below:

- To increase entrepreneurial activity
- To support sustainable growth and reduce failure rate
- To attract appropriate investment and franchising into deprived areas making use of local labour resources.

The three outcomes are designed to reflect the contribution that business start-ups, growth businesses and inward investors make to both national level productivity growth and local economic development in deprived areas. To ensure sustainability over the long term, LEGI will be focussed on the fundamental issues and barriers that hold back enterprise and growth.

- 2.4 LEGI will follow closely the principles of devolution, providing local institutions and communities with the authority and freedom to best determine local needs, options and solutions for enterprise development in deprived areas. Within the three broad outcomes set out above, there will be significant discretion to determine local priorities, actions and targets.
- 2.5 The resource provided by LEGI will be targeted at in-depth interventions in a determined number of local authority areas with both a need (measured by level of deprivation) and potential (business potential indicated by market failures). Therefore local authorities that are designated NRF areas will be eligible for LEGI support.

3. **FUNDING**

- 3.1 LEGI will initially provide £50m in 2006/7 rising to £150m by 2008/9 subject to future spending reviews. The indication is that up to 30 applications in total may be approved however it is a competitive process and resources will not be spread thinly and it is not anticipated that all eligible areas will be successful.
- 3.2 The advice is that individual bids could be anything from £2-10million pa for a period of 5 to 10 years.
- 3.3 The Treasury has also made £80,000 available to each NRF area to assist in the development of the bid and the ongoing monitoring and evaluation.

4. **DEVELOPING HARTLEPOOL'S PROPOSALS**

- 4.1 The development of Hartlepool's bid has been overseen by an Economic Forum Working Party. The Hartlepool Partnership and Hartlepool New Deal For Communities have been consulted and are supporting the submission of Hartlepool's LEGI bid.
- 4.2 The LEGI application will need to be submitted to Government Office by 9th December 2005. The bid has been developed in full consultation with key partners, stakeholders and service users. The process has also involved substantial evidence gathering primarily undertaken by management consultants, the Woodholmes group. The current bid forms work in progress and it is anticipated that a further update will be provided at the meeting.

- 4.3 The bid contains three key themes, the common thread being focused on measures which take advantage of growth potential and added value
- The individual, from school student through to adult residents and business managers
 - Key growth sectors
 - Key business locations
- 4.4 The first element will seek to engage young people to consider enterprise as a legitimate career choice and will also assist young people into business and provide continued support to those businesses. Key partners include Aspire through an enterprise programme entitled Yomp, Hartlepool's Children's Services and the College of Further Education.
- 4.5 The sectoral growth theme will be supported by Hartlepool's Incubation system, Integrated Business Solutions, and will focus on business start ups, productivity and markets working with partners such as North East Productivity Alliance, Durham University and Business Link. Sectorally this theme will include tourism, manufacturing and care/health. It will also encompass social enterprise and working with minority groups. Projects will include care market development opportunities. Key partners include HVDA, OFCA and the Community Outreach Network.
- 4.6 The spatial growth theme seeks to address market failure of key employment zones and the bid contains spatial improvements to the Town Centre, Longhill/Sandgate, Queens Meadow and Brenda Road. This theme will seek to redevelop older employment sites and contains opportunities for incubation and move on space. The College of FE also proposes significant spatial development opportunities. Key partners include Hartlepool New Deal for Communities, College of FE, UKSE Ltd, OFCA, Housing Hartlepool and Hartlepool Revival.
- 4.7 At the time of writing the detailed content of the bid is still being finalised; at this stage it is estimated that the bid will total around £35-45m over a ten year period [with associated matching funding]. More up to date details will be provided at the meeting.

5. RECOMMENDATION

- 5.1 That the Portfolio Holder notes the outline proposals of this report and in the light of further information to be submitted at the meeting, approves the LEGI bid for submission by 9th December 2005.