

CABINET**18 March 2009****Minute Extract**

780. **USE OF LOCAL AUTHORITY BUSINESS GROWTH INCENTIVE (LABGI) RECEIPTS FOR: A) RECESSION SUPPORT FOR LOCAL BUSINESSES; AND B) TRANSFER TO PROPERTY FUND**
(Report [CAB1815](#) refers)

Under the Council's Constitution, Access to Information Procedure Rules (Rule 15.1 General Exception), this was a Key Decision, which had not been included in the Forward Plan. Under this procedure, the Chairman of Principal Scrutiny Committee had been informed.

Councillor Beckett confirmed that the funding proposed for festivals would be utilised by the Council to jointly promote and support festivals across the District, and would not be paid to any individual festival. The Head of Economic and Cultural Services added that this joint working would increase value of the investment and would not duplicate work already planned by the festivals themselves. It was agreed that the wording of the Report's recommendation be amended to "Support for *District* festivals" to emphasise it would not just apply to Winchester Town events.

Mr M Tod welcomed the Report's recognition that Winchester was not immune from the effects of the current financial climate. However, he was disappointed that the proposals did not seek to focus on areas of the District with the highest levels of deprivation which would be hit hardest by the recession. In addition, he emphasised that some employment sectors would suffer more than others and should be focussed upon. Mr Tod believed that the Council should seek to put the environment as the main priority by recognising the opportunity for encouraging "environmentally friendly" businesses and jobs. In addition, he suggested some funding be used to improve promotion of improvements to home insulation, which would provide job opportunities for those carrying out the improvements.

At the invitation of the Chairman, Councillor Learney supported the comments made by Mr Tod, particularly that funds should focus on known areas of deprivation within the District. In addition to promoting the "green economy", she believed the Council should focus on encouraging "knowledge based" businesses. She expressed concern that some of the Report's proposals appeared to provide training to businesses on how to make staff redundant. She suggested that the Council could improve its publicity on its website of Hardship Rate Relief and also provide a Contracts Register to enable local firms to be aware of forthcoming work opportunities. With regard to the proposed capital funding for village/community shop grants, she believed that more revenue funding should be offered instead and queried whether £80,000

was too high an allocation for this purpose. Finally, Councillor Learney did not consider that the start-up grants of £1,000 were adequate.

Councillor Beckett thanked Mr Tod and Councillor Learney for their comments. However, he emphasised that the purpose of the Report was to take immediate measures to stimulate economic growth, rather than longer term proposals. In addition, the Council was limited in what it could achieve with the time and funding available to it. He advised that issues such as encouraging environmental and knowledge based employment would be addressed through the ongoing Local Development Framework process.

Councillor Beckett welcomed the suggestion regarding promotion of home insulation. He requested that further investigations be undertaken into whether Council funding could be utilised to lever additional Government monies for this purpose. However, he commented that the Winchester Town Forum had rejected proposals to undertake an aerial survey which would identify properties requiring such improvements.

In response to specific comments made by Councillor Learney, Councillor Beckett emphasised that the Report sought to offer advice to businesses facing the possible requirement for redundancies, enabling them to continue to trade. The purpose of offering capital funding for local stores was to provide a short term boost and it was not considered appropriate to offer longer-term revenue funding.

The Corporate Director (Policy) stated that work on a Contracts Register was ongoing and it was anticipated it would be published shortly.

Following further debate, Cabinet welcomed the proposals in the Report and noted that if agreed at Council on 22 April 2009, their implementation would be reviewed in October 2009. Councillor Beckett welcomed the support of all Members for the use of the Portfolio Holder Decision Notice procedure, to enable further detailed decisions to be taken and schemes implemented quickly. It was also noted that the County Council was also taking measures to address the current recession, working with the Hampshire Economic Partnership and other business agencies. Councillor Beckett thanked the Head of Economic and Cultural Services for her team's work in preparing the Report.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

RECOMMENDED:

1. THAT THE ALLOCATION OF £400,000 FROM THE CITY COUNCIL'S LABGI RECEIPTS BE APPROVED TO PROVIDE A PROGRAMME OF RECESSION SUPPORT FOR BUSINESSES BASED IN THE WINCHESTER DISTRICT.

2. THAT THE INITIATIVES IN THE TABLE BELOW BE APPROVED, AT AN ESTIMATED COST OF £300,000 FROM THE ALLOCATION ABOVE:

<u>REF</u>	<u>INITIATIVE</u>	<u>EST. COST</u>
A	TRAINING COURSES FOR BUSINESSES	£8,000
B	BACK TO WORK TRAINING	£8,000
C	SUPPORT FOR DISTRICT FESTIVALS	£30,000
D	BISHOPS WALTHAM POCKET GUIDE	£ 8,000
E	ADMINISTRATION OF THE 3 SCHEMES BELOW (0.2FTE FOR 8 MONTHS)	£5,000
F	BUSINESS RATE RELIEF	£35,000
G	BUSINESS START-UP GRANTS	£50,000
H	VILLAGE/COMMUNITY SHOP GRANTS (<i>CAPITAL FUNDING</i> : TO BE SPENT OVER TWO YEARS)	£80,000
I	15 DAY TARGET FOR PAYMENT OF INVOICES	£1,000
J	APPRENTICESHIPS	NO ADDITIONAL COST
K	SMARTER WORKING CENTRES (CAPITAL)	£40,000
L	CITY CENTRE RETAIL PROMOTION	£30,000
	CONTINGENCY ALLOWANCES	£5,000
	<u>TOTAL</u>	<u>£300,000</u>

CONTINUED...

3. THAT THE FURTHER INITIATIVES IN SUPPORT OF BUSINESSES AT A TOTAL COST OF £100,000 (FROM THE ALLOCATION IN RECOMMENDATION 1) BE APPROVED, TO BE IMPLEMENTED BY CABINET IN CONSULTATION WITH PRINCIPAL SCRUTINY COMMITTEE.

4. THAT AN ADDITIONAL ALLOCATION OF £100,000 BE ALLOCATED FROM LABGI RECEIPTS TO THE COUNCIL'S PROPERTY FUND TO SUPPORT ESSENTIAL MAINTENANCE AND IMPROVEMENT WORKS ON THE COUNCIL'S NON-HOUSING PROPERTIES.

RESOLVED:

5. That, subject to Council approval of recommendations 1-4 above, the Head of Economic and Cultural Services:

- a) be authorised to implement schemes a, b, c, d, e, i, j and l above with immediate effect:
- b) finalise details for the implementation of schemes f, g and h above through the Portfolio Holder Decision Notice procedure;
- c) bring a further, detailed report on scheme k above to Cabinet for formal approval.

and that the Head of Finance be authorised to make the consequential changes to the Revenue budgets and the Capital programme.

6. That a further monitoring report be brought to Cabinet in October in relation to the progress of all the recession support measures identified in this report.