

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

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Agenda Item No.

meeting date: 20<sup>TH</sup> NOVEMBER 2012  
title: ECONOMIC DEVELOPMENT UPDATE  
submitted by: CHIEF EXECUTIVE  
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## 1 PURPOSE

1.1 To receive an update on economic development and regeneration activities and issues.

1.2 Relevance to the Council's ambitions and priorities

- Council Ambitions - In addition to Ribble Valley Borough Council striving to meet its three ambitions, it also recognises the importance of securing a diverse, sustainable economic base for the Borough. The work of the regeneration section seeks to promote this.
- Community Objectives – The issues highlighted in this report will contribute to objectives of a sustainable economy and thriving market towns.
- Corporate Priorities - Delivery of services to all.
- Other Considerations – None.

## 2 BACKGROUND

2.1 This report follows previous updates from the Regeneration Team providing information on a number of economic development issues in relation to local delivery as well as their significance to the Borough on the implementation of these changes on a local, regional and national level.

## 3 INFORMATION

### 3.1 Economic Development Overview

A number of significant changes have occurred during 2012 in relation the structures and relationships for the delivery of economic development and business support. During this period the Councils' Regeneration Team have been working in partnership with economic development staff within Lancashire County Council and other Lancashire Local Authorities to assist where possible in the coordination of these transitions and ensure disruptions to business support are minimised.

All the Regional Development Agencies (RDAs) in England were closed on 31 March 2012 in accordance with government policy. As part of this process, RDAs transferred a range of assets, liabilities, functions and activities - including ongoing project responsibilities - to other public sector bodies, mainly to the Homes & Communities Agency (HCA), Department for Business, Innovation & Skills (BIS) and

Department for Communities & Local Government (DCLG) and the Department for Environment, Food and Rural Affairs (DEFRA).

The North West Development Agency closure arrangements included compiling and publishing the final annual report and financial statements, and in all, 18 continuing functions have been transferred to new delivery bodies, including European Regional Development Fund delivery reverting to DCLG; Rural Development Programme for England moving to DEFRA; Grants for Research and Development programme migrating to the Technology Strategy Board; and Venture Capital Funds transferring to BIS to be managed by Capital for Enterprise. Residual activity for the Grants for Business Investment scheme has also come to BIS. The majority of RDA land and property assets transferred to the Homes and Communities Agency and over 500 staff have been transferred to other government departments.

### 3.2 Ribble Valley Economic Strategy Review 2012

As a result of these new policy developments and changes in the delivery of economic development, regeneration and business support nationally and locally the Ribble Valley Economic Strategy has also been reviewed to reflect the new structures and approach to economic development. The Strategy sets out the economic aims and objectives for the area around 5 thematic areas of activity to guide the council in setting its own activities and resources, and also provides a framework for partnership working, and supporting and influencing the strategies, priorities and the resource allocation of others operating in the field of economic development across Ribble Valley and the wider area.

An Economic Development Working Group of Council Members has now been established to further support and monitor delivery of the Councils' economic objectives, identify individual projects and address the issues in relation to the Ribble Valley economy. The Economy Working Group held its inaugural meeting on 7th November 2012 and is in the process of developing a list of activities to provide the basis of key projects and activities with which to concentrate and further develop going forward.

### 3.3 Lancashire Enterprise Partnership

Following the Governments' approval to establish the Lancashire Enterprise Partnership (LEP) to support economic growth in the county, the LEP has had a role in three major programmes of relevance to Ribble Valley as detailed below: -

#### Lancashire Enterprise Zone

The proposal to establish an Enterprise Zone, covering the two BAE Systems sites at Samesbury in Ribble Valley and Warton in Fylde was approved by Government in October 2011. Enterprise Zones are intended to support genuinely additional growth, attract businesses and create new jobs in specifically defined geographic areas. Officially titled the Lancashire Advanced Engineering and Manufacturing Enterprise Zone, the LEP is working in partnership with BAE Systems, with the ambition of establishing it as a location for advanced engineering and manufacturing. Companies investing in operations at the Enterprise Zone will be based alongside BAE Systems operations, creating a hub of expertise in a sector recognised as one of Lancashire's economic strengths. For at least 25 years, all business rate growth within the Enterprise Zone will be retained and reinvested in the county, in support of the LEP's priorities.

## Regional Growth Fund

The Government's Regional Growth Fund (RGF) supports projects and programmes that lever private sector investment, creating economic growth and sustainable employment. It aims particularly to help those areas and communities that are currently dependent on the public sector to make the transition to sustainable private-sector led growth and prosperity. Lancashire Enterprise Partnership endorsed nine bids for RGF funding, five of which were successful. Two of the successful bids were private sector investment in new advanced manufacturing plant and machinery facilities and three were programme and infrastructure bids that support the LEP's priorities.

The other three successful Lancashire RGF bids include the Accelerating Business Growth in Lancashire Programme, which secured £7.5m from the RGF, this will support companies with high growth potential in the county's advanced engineering and manufacturing supply chain to overcome barriers to investment; the Growing Autonomous Systems Mission Management (GAMMA) Programme led by the North West Aerospace Alliance (NWAA) in partnership with BAE Systems and leading universities supporting increased investment in small and medium enterprises. It will also deliver high value sustainable employment within the advanced engineering and manufacturing and science sectors through the development of autonomous system technologies; also the Todmorden Curve and Weavers Triangle Programme will see the reinstatement of the Todmorden Curve section of the railway network in East Lancashire to create a fast and direct rail link between Burnley and Manchester, while also stimulate the regeneration of the Weavers Triangle.

## Growing Places Fund

Lancashire Enterprise Partnership was awarded £12.9m from the Government's new Growing Places Fund in November 2011. The GPF is a capital fund aimed at generating economic activity in the short term by addressing immediate infrastructure and site constraints, unlocking development and enabling the delivery of new jobs and housing. The investment is part of a new £500m Government-backed programme which gives local enterprise partnerships across the country the ability to manage the funding of infrastructure projects, including the flexibility to recycle funding for new projects as developments are completed. Lancashire Enterprise Partnership is currently undertaking work to identify which projects in the county should benefit from a share of the money.

### 3.4 Business Support

Across the areas of enterprise, employment and business support, a number of programmes have continued their work, such as the Rural Development Programme, despite budget reductions and changes across a number of areas. The Regeneration Team at Ribble Valley have continued to work in partnership with Economic Development Teams within the other Lancashire Local Authorities, Lancashire County Council, including the cluster of East Lancashire authorities as well as Regenerate Pennine Lancashire to help both new and existing business access areas of support.

For example, the Accelerating Business Growth project in Lancashire (ABG) scheme has now been launched designed to meet the needs of local advanced manufacturing businesses by offering them capital investment for expansion

projects, including premises, plant and machinery. The successful Regional Growth Fund bid was written in partnership between the Pennine Lancashire Local Authorities and Regenerate Pennine Lancashire. Lancashire County Council, the University of Central Lancashire, Lancaster University and the Lancashire Chambers of Commerce, will also assist delivery of the programme.

The Regeneration Team is also assisting with the coordination and delivery of two further business support initiatives. Firstly following a successful bid developed in partnership between the Lancashire Local Authorities and Regenerate Pennine Lancashire, BIS has approved the Lancashire Business Enterprise Programme, which will provide capital grant investment of up to a maximum of £50,000 for SMEs trading less than 36 months. Similar to ABG, the grants will be directly linked to job creation, targeted at priority sectors and operate across Lancashire.

Also, Business Start-Up Support in Lancashire (BSUS Lancashire) was given full approval by DCLG on the 11th October. The £4.8 million ERDF programme is targeted at individuals considering self-employment from under-represented target groups. The programme will provide coaching, training, ongoing mentoring and finance support to those individuals who would not necessarily be considered high growth and are unable to access Pennine LEAP or Growth Accelerator, and will operate across all Lancashire districts. BSUS will deliver a two and a half year programme of start-up and business support with targeted Enterprise Vouchers (for specialist consultancy/equipment) to the end of the current ERDF programme.

### 3.5 Rural Development Programme for England (RDPE)

Ribble Valley businesses continue to receive support through the Rural Development Programme (RDPE) funded by the EU Commission. Ribble Valley Borough Council took the lead role in the production of the Local Development Strategy on behalf of Pennine Lancashire partners and following the successful application for £2.7 million funding. The programme is focussed on the following three themes, or axis, these are: -

- Axis 1 – improving the competitiveness of the farming and forestry sectors
- Axis 2 – improving the environment and the countryside
- Axis 3 – rural quality of life and diversification of the rural economy
- Axis 4 – management, administration and the LEADER approach

Delivery of the programme is overseen by Local Action Groups (LAGs). In Lancashire 3 LAGs manage the RDPE programme of activity under Axis 1, 3 & 4, whilst Natural England and the Forestry Commission are delivering Axis 2. To date 34 live projects have been approved to date under Axis 1 and 3 of the programme across the 6 Pennine Lancashire Local Authority districts. 25 of these projects are in Ribble Valley. Along with this a number of additional projects are in development and pending approval with all remaining spend expected to be committed by the end of year.

### 3.6 Town Centres & Business Groups

The Regeneration Team provide support, information and guidance where required for the three business groups Clitheroe, Longridge and Whalley as well as attending meetings with the groups to assist their continued activities to support trade in each of their locations. Events, such as the Clitheroe Food Festival, Pickwick Night and Longridge Big Weekend, are examples where joint working between the Council,

business groups and the community assist greatly in the success of Ribble Valley's key town and service centres. All the trade groups are currently busy finalising their Christmas campaigns and the Regeneration Team will be providing support to help encourage a successful Christmas trading period.

### 3.7 The Economic Climate

Whilst the number of people claiming Job Seekers Allowance in Ribble Valley remains consistently one of the lowest in the region, the Regeneration Team are in regular contact with Job Centre Plus redundancy teams to assist and coordinate any support should this be required. Also, vacant business premises are marketed using the Evolutive property database and the Regeneration team are continuing to monitor issues during the current economic climate across Ribble Valley (empty business property & unemployment), as well as monitoring activities across the wider region and the UK to assess current and future implications for the Borough's economy.

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#### BACKGROUND PAPERS: -

1. Ribble Valley Economic Strategy 2009 – 2014
2. Clitheroe Town Centre Masterplan & Vision
3. Longridge Economic Action Plan
4. Whalley Economic Action Plan
5. Pennine Lancashire Local Development Strategy (RDPE)

For further information please ask for Craig Matthews, extension 4531.