
Report to: Cabinet
Council

Date of Reports: Cabinet 16 August 2012

Council 6 September 2012

Subject: Stepclever Legacy Fund Project

Report of: Director of Built Environment

Wards Affected: Derby/Linacre

Is this a Key Decision? Yes

Is it included in the Forward Plan? Yes

Exempt/Confidential No

Purpose/Summary

To advise members of the award of the Stepclever Legacy grant for the Stepclever Legacy Fund project and to request that the project is included in the Council's Capital Programme.

Recommendation(s)

That members:

- (1) Note the award of Stepclever Legacy grant to Sefton for delivery of the Stepclever Legacy Fund project.
- (2) Include the Stepclever Legacy Fund project within the Council's Capital Programme for 2012/13 and 2013/14 (subject to the receipt of a written offer of grant) at a cost of £1,847,749 to be fully funded from the Stepclever Legacy Grant. (Note that £563,020 of this sum is residual funding from the Stepclever Property Project and is already included in the current Regeneration Capital Programme.)

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		✓	
2	Jobs and Prosperity	✓		

3	Environmental Sustainability		✓	
4	Health and Well-Being		✓	
5	Children and Young People		✓	
6	Creating Safe Communities		✓	
7	Creating Inclusive Communities		✓	
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

To approve arrangements for the implementation of the Stepclever Legacy Fund project

What will it cost and how will it be financed?

(A) Revenue Costs

N/a.

(B) Capital Costs

The total forecast capital cost is £1,847,749 as set out in the table in paragraph 9 below. The project is to be entirely funded by Stepclever Legacy grant. There are no financial implications for the revenue budget of the Council.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	
<p>The equality impact and mitigation measures are as described in the Enterprise Gateway delivery plan (p10 'Targeted engagement activity') and will be updated and carried forward to the new project accordingly.</p>	

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Finance & ICT Strategy (FD1671) has been consulted and any comments have been incorporated into the report.

The Head of Corporate Legal Services (LD1014/12) has been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

Not to support the receipt of LEGI would be to forego access to new and additional resources at a time of considerable spending restraint and reduction in other public funded business support programmes.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Council and Cabinet Member Meeting

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Background Papers:

The following papers are available for inspection by contacting the above officer:

Cabinet Member Regeneration & Housing-Stepclever Legacy project briefing report (22 February 2012)
Stepclever Legacy Fund proposal (January 2012)
CMR report Stepclever update (16 March 2011)
Enterprise Gateway delivery plan (2010-2012)
Cabinet (16th April 2009), “Stepclever Property project”

Introduction

- 1 Members will be aware of Economy & Tourism's (E&T) efforts to secure new external funding to support service delivery. E&T was alerted to a potential new funding opportunity arising from the Stepclever Local Enterprise Growth Initiative (LEGI), which ended on 31st March 2012. The grant offer will provide up to £1,847,749 of Stepclever Legacy monies to administer a business grants programme for the period 1st April 2012 to 31st March 2014. The offer also includes residual Stepclever Property Support grant of £563,020. This sum is already included in the Regeneration Capital Programme (approved by Cabinet on 15th April 2009).
- 2 The grant will fully fund four posts for two years that were under threat of redundancy. A ring fenced re-deployment programme was used to retain and re-designate the four posts to deliver the new project subject to confirmation of funding. The team will sit under the recently revised Invest Sefton business and enterprise support service.
- 3 The council's Invest Sefton team, under the E&T service, has designed and delivered the Stepclever business grants programme since its inception in June 2007. This has been managed in partnership with Liverpool Vision under the project title of Enterprise Gateway with the aim of stimulating entrepreneurship, new business start-ups, business growth and employment in south Sefton (Derby/Linacre wards) and north Liverpool (County/Anfield/Kirkdale/Everton wards).
- 4 At its board meeting of 28th November 2011 the Stepclever board gave 'in principle' approval to continue a revised business grants programme using unallocated capital monies. Invest Sefton was asked to deliver a new business grants programme for post April 2012. Liverpool City Council Cabinet approved the funding on 30 March 2012. A formal offer letter will be issued to Sefton shortly.

Proposed legacy project

- 5 The proposal includes the delivery of a grant project for both new and existing businesses that will generate new business start up, business growth and associated job opportunities in the Stepclever area building on the achievements of the existing programme. The new project includes:
 - A capital grants programme for new and existing businesses in the Stepclever wards.
 - Two Dedicated Business Specialists working alongside new existing growth sector specialists/Managers in Invest Sefton and Liverpool Vision.
 - One Senior Financial & appraisal officer and One monitoring and administrative officer to support compliance and delivery.
 - A private sector led steering group including Stepclever business representatives to oversee grant applications.
 - Access to existing specialist growth sector support through Invest Sefton and Liverpool Vision; e.g. Low Carbon/SuperPort/Knowledge Economy/Construction/Digital & Creative

- Access to dedicated employment brokerage support from [Sefton@Work](#)
 - The potential to develop and expand the fund through Regional Growth Fund and ERDF bids.
- 6 A revised investment fund will be made available to both new business start-ups and growing businesses in the Stepclever wards. The fund is based on the existing tiered grant programme administered and delivered by the Enterprise Gateway project. While the fund will not rule out specific business activities, particularly if it generates new job creation, there is now the opportunity to align it with key Liverpool City Region (LCR) industry growth sectors, several of which are prevalent in the Stepclever area; e.g.. Port/Maritime related/Low Carbon/ Environmental Technologies/Knowledge Economy/Manufacturing.
- 7 The Investment fund will offer a tiered level of financial support accessed through the dedicated Business team. The table below shows the proposed level of funding (grant levels are subject to change):

Grant type	Amount £	Eligibility
Tier 1	Up to £750 *	Individuals seeking to start their own business
Tier 2	Min £2,000 up to max £7,500 *	Businesses up to 18 months old seeking to grow and create new jobs
Tier 3	Min £5,000 up to max £25,000 *	Existing businesses located or seeking to locate in the Stepclever area and create new jobs and demonstrate a plan for growth in turnover and profit

- Grants will be managed under State Aid/De Minimis rules with a maximum intervention rate of 100% for Tier 1 and Tier 2 Grants and a maximum of 45% for Tier 3 grants.
- 8 A cornerstone of the success of the existing funding programme has been the private sector led Investment Steering Group (ISG). This model had been established in 1995 in Sefton as a result of private sector nominated representatives from successive Single Regeneration Boards. A similar model has been in operation for the duration of the Stepclever programme and consisted of two Board members and business representatives from North Liverpool and South Sefton. They bring with them a wealth of expertise and experience while at the same time providing both a challenging and transparent process for the project team. A recent 'rule of thumb' exercise revealed that the free, voluntary support provided by private sector members runs at an average cost of £49k per member pa in terms of participation, meetings attended and on going advice and support. It is proposed that a similar model will be used for the Stepclever Legacy fund.

Financial Implications

- 9 The Head of Corporate Finance & ICT Strategy comments that there are no financial implications for the Council and the total forecast capital expenditure of £1,847,749 as set out in the table below is fully funded from Stepclever Legacy capital grant.

Expenditure	Budget 2012-14 (£)
Grants to business	968,761
Property project c/f	563,020
Staffing (inc on costs)	290,968
Running costs	25,000
Total	1,847,749

Outcomes

- 10 The project has been tasked with a number of key performance indicators including :

Output	Total
No of new business start ups	82
No of business assisted	38
No of new jobs created	137
No of jobs safeguarded	22

- 11 The output forecasts reflect the current state of the economy, a much-reduced programme and that the available monies are Capital only. The previous programme incorporated both Revenue and Capital grants. However it is worth noting the success of the previous Stepclever Enterprise Gateway project, which ran from June 2007 to March 2012, and yielded some excellent outcomes for the area:

OUTPUT	TOTAL
No of Individual Beneficiaries	1,504
No of New Business Start Ups	601
No of Residents into Self Employment	359
No of Women into Self Employment	133
No of Businesses Assisted	1,204
No of New Jobs Created	1,465
No of Jobs Safeguarded	100
No of VAT Registrations	34
No of Grants Awarded	589

- 12 The new programme is due to start in September 2012 and regular performance updates will be report to Cabinet Member for Regeneration, Housing and Tourism.