

Report for Information

Report to Executive
18 February 2009

Report of Assistant Director City Development

Subject Future Reporting Arrangements of the LEGI Programme to Executive

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Purpose - To update Executive on the achievements of the Norwich's LEGI Programme in its first two years of operation 07/08 and 08/09 and propose that members receive regular six monthly progress updates in the future.

Recommendations

That Executive confirms the Norwich LEGI Programme is an important programme for the residents and businesses of Norwich in a period of recession and as such will receive regular six monthly reports on progress.

Financial Consequences

There are no direct financial consequences arising from this report.

Risk Assessment

Risks associated with delivering the LEGI programme are diverse and are addressed. They include risks associated with programme management such as continued receipt of government funding, council priorities for spending of the Area Based Grant, failure to achieve programme performance (eg outcomes and financial compliance) and reputation management. Each individual project or workstream also has its own risk assessment and mitigation plan.

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority "Strong and prosperous city – working to improve quality of life for residents, visitors and those who work in the city now and in the future" and the service plan priority To deliver the LEGI Programme

Executive Member: Councillor Morrey - Sustainable City Development

Ward:

Contact Officers

Ellen Tilney, Economic Development Manager	01603 212502
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Background Documents

None

Report

Background:

Programme Management

1. Norwich City Council secured LEGI funding from Department of Communities and Local Government through a competitive bidding process in December 2006. Twenty LEGI Programmes were successful from a potential ninety-one eligible areas in England. Delegated powers to conceptualise, write and submit the original funding application and to subsequently make day-to-day management decisions for the LEGI Programme were granted to the then, Director of Regeneration and Development (Executive 19 July 2006, item 11).
2. Norwich City Council's Economic Development Service delivers day-to-day Programme management with the assistance of an external Advisory Board whose membership is drawn from key stakeholders in the private, public and voluntary sectors. The Advisory Board is chaired by Chris Popplewell, Head of Economic Development. LEGI funding was originally paid to Norwich City Council via the Local Area Agreement with Norfolk County Council as the Accountable Body.

LEGI Programme Delivery 2007/8 and 2008/9 - Successes

3. In its first two years the LEGI Programme has supported more than 6,000 people in Norwich.
4. Business Support Activities:
 - 119 new businesses started
 - 186 jobs created
 - Norwich Enterprise Centre opened on Guildhall Hill – this involved LEGI/liC funds to refurbish a City Council owned property and bring it back into use. LEGI funds were used to pre-pay a 15 year lease to Norwich City Council, ensuring the future of the facility beyond the lifetime of LEGI funding. (Where possible LEGI projects should create a lasting legacy) The Enterprise Centre is managed by Norfolk and Waveney Enterprise Services. It offers free business advice and training to new and existing businesses – demand has soared in the latter part of 08/09 and this will be of particularly high value during a recession.
 - Launch of Buy Local as a social enterprise to support local businesses and local procurement including procurement study and events.

- Roll-out of BizFizz to three new areas of Norwich – Mile Cross, Lakenham and Thorpe Hamlet.
- £179,000 paid in grant aid to small locally-owned businesses.
- £240,000 sustainable small business loan fund created for those unable to access mainstream bank finance – this has now been picked up and mainstreamed by EEDA and will be sustainable beyond the lifetime of the LEGI Programme.
- £30,000 to Norwich 4 Business to support people who have been made redundant to start new business ventures.

5. Inward Investment:

- Norwich Fact File and refreshed Norwich marketing materials, both of which have been very well received by the business community.
- Evolutive property search and inward investment software – this will be formally launched in February 2009 and will significantly improve efficiency in inward investment support and premises search facilities – used in partnership with Property Services Team.

6. Neighbourhood & Community:

- £200,000 LEGI funds used to improve the environment around neighbourhood shopping areas including CCTV provision, paving, re-surfacing car parking areas.
- £100,000 LEGI funds given to young people from Norwich's poorest families as development grants to remove barriers in accessing training and employment.
- 2,700 pupils in Norwich schools and college students have participated in LEGI funded Enterprise Education activities.
- £800,000 of LEGI funds have provided a wide range of Norwich residents with employment advice, support and skills training. Particular focuses are on service to long term unemployed people, women, young homeless people and people with health and disability issues.

7. Programme management:

- Two LEGI funded posts have been created in the Economic Development Service to manage the programme up to 2011. In addition there is a significant call on other staff time within the Service and to a lesser extent in other Council departments. This is recharged to the programme.

Changes to LEGI Funding Designation

7. In April 2008, Norwich City Council became the Accountable Body for LEGI funding. Instead of LEGI funds coming via Norfolk County Council and the Local Area Agreement, funds are now paid directly to Norwich City Council – revenue via the Area Based Grant and capital through the Single Capital Pot.

Future LEGI Funding 2011-2014

8. In the harsh economic climate Government is scrutinising the performance of LEGI Programmes. Current advice from DCLG/BERR is that extending LEGI funding for a further three years in the next Comprehensive Spending Review period is now a strong possibility, but that this decision must be supported by evidence that LEGI Programmes are reaching into their communities and achieving results in enterprise activity against the targets and objectives outlined in their original bids. The Centre for Local Economic Studies (CLES) has just been commissioned to carry out a mid-term impact analysis and evaluation of the social return on investment (SROI) for Norwich's LEGI Programme. The CLES evaluation and report will be completed in August/September 2009. We hope that its findings will strongly support the case for continued LEGI funding for Norwich.

Changes to Original LEGI Programme Budget in 2009-11

9. The capital/revenue breakdown of Norwich's LEGI funding in 2009/10 and 2010/11 will contain some changes from the original bid and budgets submitted in our bid to DCLG in 2006. Although all twenty LEGI areas will receive exactly the same total amount of funding, the Government has increased the percentage of capital monies with a corresponding reduction in the Programme's revenue funding.
10. In 2009/10 for Norwich this will mean a £485,322 increase in the capital funding budget with a corresponding reduction in our revenue budget.

Year	Revenue	Capital	Total	Variance from original budget (+Capital/-Revenue)
2009/10	£2,039,477	£735,322	£2,774,799	£485,322
2010/11	£1,774,821	£450,939	£2,225,760	£450,939

Further references:-

www.goforitnorwich.co.uk