

NORTH LINCOLNSHIRE COUNCIL

REGENERATION CABINET MEMBER

REGIONAL GROWTH FUND

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To approve the submission of a Regional Growth Fund bid on behalf of the Task Force for North Lincolnshire and for the Council to act as accountable body for the programme
- 1.2 To support the Regional Growth Fund bid for the South Humber Bank being submitted by Able UK Limited.

2 BACKGROUND INFORMATION

- 2.1 The Coalition Government developed the Regional Growth Fund to “create a fairer and more balanced economy, where we are not so dependent on a narrow range of economic sectors, and where new businesses and economic opportunities are more evenly shared between regions and industries”. The fund has replaced monies that were previously given to the Regional Development Agencies (eg Yorkshire Forward) to support economic opportunities.
- 2.3 The two main objectives of the fund are:
 - (a) To encourage private sector enterprise by providing support for projects with significant potential for economic growth and create additional sustainable private sector employment, and
 - (b) To support in particular those areas and communities that are currently dependent on the public sector make the transition to sustainable private sector led growth and prosperity.
- 2.4 No bid submitted in the first round of funding for the North Lincolnshire area was successful. Second round bids are sought by 30th June 2011.
- 2.5 Any RGF bid should be endorsed by the appropriate LEP and a resume of the bids will be provided to the LEP Shadow Board.

2 OPTIONS FOR CONSIDERATION

- 3.1 Following the announcement by TaTa at the end of May 2011 to make 1200 redundancies, a Task Force was formed to support the company, employees and the local economy. As part of this process it was agreed to develop a Regional Growth Fund bid that would provide immediate impact and medium to longer term opportunities.
- 3.2 A programme bid is in development that will demonstrate a clear over-arching investment strategy across the North Lincolnshire area that will create sustainable private sector jobs and business/sector growth.
- 3.3 It requires a lead partner to be responsible for performing due diligence, manage claims and programme funding allocation as well as act as accountable body.
- 3.4 The programme will face the challenge, change and opportunities that face the area following the impact of the redundancies on the local economy. It intends to provide:
- Training – businesses and individuals
 - Business Advice
 - Business Support
 - Start-Up Grants
 - New business/commercial land/space
 - Individual Business Diversification Plan
 - Capital Plant/Equipment
 - Reclaimed Land with speculative buildings
 - Simplified Planning Zone on industrial estate
 - Procurement to develop superfast broadband
 - Supply Chain events in relation to offshore wind farms
 - Renewable Energy source
 - Carbon Capture scheme
 - Engineering Academy
 - Bespoke engineering accommodation
- 3.5 A further RGF Bid is being led and prepared by the private sector through Able UK Limited for the South Humber Bank. This bid includes a number of key projects relating to infrastructure and site development. Approval is sought to support this bid to fulfil the ambition to develop the renewables sector in the region and fully compliments the North Lincolnshire programme proposal.
- 3.6 There are therefore two options for consideration:
- Option 1 – to approve the submission of the RGF Bid for North Lincolnshire with the support of the TaTa Task Force and for the Council to act as accountable body for the programme and to support the private-sector led bid by Able UK for the South Humber Bank

- Option 2 – to do nothing and not support the bids.

3.5 Option 1 is the preferred option.

4 ANALYSIS OF OPTIONS

4.1 In Option 1 a partner is required to co-ordinate the bid for the North Lincolnshire RGF bid and to act as accountable body to receive and manage the programme funds. In taking on this role the Council will enable the schemes to progress and be delivered. The schemes are required to address the impact of the recently announced redundancies and redress the negative impact on the local economy.

4.2 With Option 2 - without the support of the Council for the bids they are unlikely to be successful through the RGF process and the schemes will not go ahead.

4.3 It is recommended that Option 1 is pursued.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Financial – There will be costs associated with managing a funding programme as the accountable body. A full understanding of these will not be known until further development of the programme. It is hoped that these will be met from within existing budgets. At this stage it is not known if any individual project within the programme will have a financial implication for the Council however these will be dealt with on an individual basis and subject to separate reports.

5.2 Staffing – There will be implications for managing the funding programme and in the development of projects requiring staff resource. These will be met from within the existing establishment.

5.3 Property & IT – If the bid is successful new land and property will be developed as part of the Council's Property Portfolio. There are no other property or IT implications.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 There are no direct implications of supporting the Regional Growth Fund Bids on Statutory, Environmental, Diversity or Section 17 requirements.

7. OUTCOMES OF CONSULTATION

7.1 Consultation with key partners associated with the individual schemes has been undertaken and their contributions made to the North Lincolnshire bid.

8. RECOMMENDATIONS

- 8.1 To approve the submission of the RGF Bid for North Lincolnshire and for the Council to act as accountable body.
- 8.2 To support the RGF bid by Able UK Limited for the South Humber Bank.

HEAD OF REGENERATION AND PLANNING

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Background Papers used in the preparation of this report