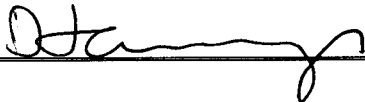


The Executive

On 21 March 06

Report Title: Development of Archway Rd	
Forward Plan reference number (if applicable): [add reference]	
Report of: David Hennings, Asst. Chief Executive (Strategy)	
Wards(s) affected: Highgate	Report for: Key
1. Purpose	
1.1 To seek approval from the Executive to ring-fence Local Authority Business Growth Incentive (LABGI) funds for the development of Archway corridor.	
2. Introduction by Executive Member	
2.1 This report confirms that Haringey has secured an additional £708,400 from the Local Authority Business Growth Initiative (LABGI). Under this scheme the Treasury gives a proportion of Business Rates back to local authorities whose overall income from this source is higher than in previous years. To ensure that a proportion of this income is used to support business growth, particularly in those areas unlikely to secure alternative funding, the report proposes to commit £75,000 or 10.5% of this fund for a number of initiatives in the Archway Road. These initiatives have arisen from work undertaken with local traders and residents by Neighbourhood Management. This has also had input from officers in Economic Regeneration, Planning and Transport. The EAB is asked to support this bid.	
3. Recommendations	
3.1 That the Executive approves the proposals to ring-fence LABGI money to enable development of the Archway corridor.	
Report Authorised by: Asst. Chief Executive (Strategy) 	
Contact Officer: Karen Galey, Interim Head of Economic Regeneration Tel: 020 8489 6903	
4. Executive Summary	
4.1 There have been a series of meetings which have taken place to discuss regeneration of the Archway Corridor. Although not included in the Local Enterprise Growth Initiative bid, the Archway Corridor plan has business retention and creation at its core, and if approved, should aid us in maximising our LABGI allocation for next year. It is felt that there are some immediately achievable actions which could be effected and these have been costed out below; however, it is envisaged that the majority of these costs would be met through the release of LABGI funds.	
5. Reasons for any change in policy or for new policy development (if applicable)	
5.1 N/A	

6. Local Government (Access to Information) Act 1985

7. Background

7.1 Local Authority Business Growth Incentives (LABGI)

The LABGI scheme allows local authorities to retain a share of increased business rates revenue generated in their area. By creating a direct financial incentive for local authorities to increase business growth in their locality, LABGI provides the opportunity for government and business to work together to deliver economic success and prosperity to their local community.

Haringey has secured additional £708,400 resources under the Local Authority Business Growth Incentive (LABGI). Under the scheme the Treasury gives a proportion of business rates back to local authorities whose overall NNDR growth is higher than previous historic trends.

Although raised from the business community these resources are not ring fenced. However, now that as a Council we are more aware of the scale of these resources we need to debate whether or not they are allocated to business activities in order to support our chances of securing additional resources in future years.

The Lead Member Regeneration in discussion with officers believes there is a case for ring fencing at least part of the LABGI income. The Regeneration team developed a comprehensive Local Economic Growth Initiative (LEGI) bid which demonstrated that an investment of £14m over 7 years would be required to achieve a step change in the local economy. Haringey's bid although strong was a runner up in the LEGI process – one of its weaknesses is lack of match funding and the ability to submit a bid next year which shows that the NNDR income from LABGI will be matched with new resources to ensure the economy continues to outperform against historic trends will be a significant improvement.

7.2 Local Enterprise Growth Initiative (LEGI)

In March 2005 HM Treasury introduced proposals for LEGIs as part of the annual budget. The national aim of LEGI is to release the productivity and economic potential of the most deprived areas and their inhabitants through enterprise and investment. The LBH Local Enterprise Growth Initiative (LEGI) bid submitted in December 2005 was unsuccessful and we are awaiting the feedback to enable us to submit a stronger bid to the next round which we believe will be announced later this year.

Even without LEGI in 2006/07 it is more critical that resources are spent to support businesses to ensure we secure LABGI next year. In order to give ourselves the greatest chance of a healthy LABGI yield in 2006/07, it is suggested that we invest some of the LABGI money in the key areas of the strategic approach from our LEGI bid that are most likely to create new business and retain existing business in Haringey outlined below:

- **Growing the Cluster Economy** - bringing businesses together and supporting them to maximise the benefits of being based in Haringey and in working together to overcome obstacles to effective enterprise growth. We would build upon the four current key clusters (ICT, Food and Drink, Clothing and Creative), and grow new ones such as Health and Social Care and Leisure.

- **Developing the Micro-Economy**
There is limited access to finance for micro-enterprises, and no accessible, practical advice on cash-flow and finance management. We would provide a community finance fund and create a bridge to more complex funding arrangements for micro-enterprises.
- **Improvement to Archway Corridor**
There have been a series of meetings which have taken place to discuss regeneration of the Archway Corridor. Although not included in the LEGI bid, the Archway Corridor plan has business retention and creation at its core, and if approved, should aid us in maximising our LABGI allocation for next year. It is felt that there are some immediately achievable actions which could be effected and these have been costed out below; however, it is envisaged that the majority of these costs would be met through the release of LABGI funds.

8. Financial Implications

8.1 The table below sets out proposed spend for the development of Archway corridor.

Issue	Action Required	Costs	Deadline
Solid metal shutters need replacing	Grant aid to remove these on approx. 30 shop fronts and replace these with new shutters. New shutters cost in the region of £2000 - £3000, therefore council contribution could be 70% of this, with remainder coming from businesses.	Based on £3000 per shutter: £63k cost to council, £27k to be funded by businesses. (In Hornsey Council paid for 95% of costs for new shutters).	Next financial year. Project envisaged taking 6 months from inception.
Local Community Directory to be produced	This is underway and being jointly funded by Neighbourhood Management and ARRBA	£2200	End March 2006
Retail survey of local businesses to be undertaken, now including Highgate High Street	Questionnaire to be drawn up and agreed, then businesses approached to complete.	£2000	End March 2006
Branding of Archway Rd with new signage	Area needs uplifting and signage major part of this; Average costs on individual signs are: £250 for manufacture and installation.	10 signs £2500 20 signs £5000	Next financial year. 6 months timeframe from inception.
Total costs		Circa £75k	

9. Recommendations

9.1 That the Executive approves the proposals to ring-fence LABGI money to enable development of the Archway corridor.

10.1 Comments of the Director of Finance

- 10.1 LABGI is a non-ringfenced grant which is available for any purpose. The budget setting report to Council on 20 February allocated the LABGI income to a contingency for subsequent decision making. Members will need to consider this proposal in terms of consistency with the strategy issues which underpin financial planning.

11. Comments of the Head of Legal Services

- 11.1 The Head of Legal Services has been consulted, and notes that the report is seeking Member approval for the funding strategy. The Head of Legal Services has no comment at this stage but should be consulted as appropriate on the specific proposals if the recommendation is approved and the future bid is successful.

12. Equalities Implications

- 12.1 The LABGI funds will enable development of the Archway Corridor and improve services to the Business Community in the Highgate ward including BME businesses in that area.