
BAT LEGACY FUND YEAR THREE PROGRAMME

**Responsible Cabinet Member - Councillor David Lyonette,
Regeneration and Planning Portfolio**

Responsible Director - John Buxton, Director of Development and Environment

Purpose of Report

1. The purpose of this report is to agree the release of £251,000 revenue expenditure from the British American Tobacco (BAT) Legacy Fund for Year 3.

Information and Analysis

2. In July 2003 British American Tobacco (BAT) announced the closure of its plant in Darlington with the loss of 490 jobs. BAT agreed a Legacy Fund of approximately £950,000 over 4 years to support job creation and economic development.
3. The Legacy Fund is administered by the Council and overseen by the BAT Legacy Fund Panel. This includes representatives from the private sector, BAT, Business Link Tees Valley, Tees Valley Regeneration, North East Chamber of Commerce and Tees Valley Learning and Skills Council. This arrangement was agreed by Cabinet in February 2003 Minute C197(6)/Feb/03).
4. The forecast value of the second year of the programme is £1,071,397. This has been made up of BAT Legacy Funds of £269,596, public sector funding of £172,082 and private sector contributions of £629,719. The BAT Legacy Fund in the second year has supported the following projects:

Darlington Advantage

5. Marketing campaign to promote Darlington as a business destination, and to target markets in the business and professional services sector, logistics, contact centres, utilising advertising, direct mail, website, e-direct mail and e-newsletter. The campaign has been supported by the following partners; City and Northern, Lingfield Investments, Easter Group, Tees Valley Regeneration, European Regional Development Fund and Sanderson Weatherall.

The D2E e-commerce project

6. This has supported 40 Darlington businesses become e-enabled to tender for public and private sector contracts, and help businesses improve their business competitiveness through on-line trading. The BAT Legacy Fund has provided funds of £127,000 matched with £142,781 from the private sector. A programme of e-commerce related seminars has been held on subjects ranging from business continuity, web optimisation, Internet fraud

and sourcing new business on-line. The seminar programme was open to all businesses with 138 business representatives attending.

Skills for Success

7. The BAT Legacy Fund has extended the funds available to this existing scheme. The scheme assists Darlington businesses with management and workforce training to improve business competitiveness. 107 businesses have been assisted, supporting 643 training places. The Project can also assist individuals and those facing redundancy with training and re-training, 54 individuals have been supported.

Falchion Fund

8. The BAT Legacy Fund has extended the funds available to this scheme. The Falchion Fund exists to support start up and existing businesses by offering a low cost loan supported by the Council, HSBC Bank plc and BAT. Loans of £72,880 will have been made to eight businesses during 2006/07 matched with £318,945 private sector contributions.

Inward Investment

9. The BAT Legacy Fund has supported two companies to move into Darlington forecasting the creation of 205 new jobs. The Legacy Fund has provided £15,000, public match £17,500 and private sector £54,900. A further £35,000 remains uncommitted from the original allocation of £50,000 in 2006/07 and will continue the programme in 2007/08.

Retail Project

10. This scheme will be launched in March 2007. The “Retail Therapy” project will offer retail advice to new and existing independent retailers in the town. The project is expected to assist up to 40 retail businesses with help and advice regarding staffing; recruitment, motivation and retention, sales and marketing, financial management, and ICT requirements. Businesses will be offered up to 20 hours free consultancy.

Year Three Programme

11. The BAT Legacy Fund Panel has considered the programme for 2007/08. The following schemes will form the year three programme:
 - (a) Darlington Advantage marketing campaign to promote Darlington as a business destination, (£20,000)
 - (b) Continuation of the inward investment incentive to attract new companies into Darlington, (£50,000)
 - (c) Darlington e-commerce project, a continuation of the existing scheme to support businesses fully develop information and communications technology to support business development and improvement, (£117,000)
 - (d) Self-development grant to support individuals and those facing redundancy to undertake further training to improve job prospects.(£9,000)
 - (e) Retail Therapy Project (see para 10 above) (£55,000)

12. The estimated value of the year 3 BAT Legacy Fund programme is £719,500 including: BAT £251,000, £26,500 public sector this includes £20,000 from the Council's advertising budget and £6,500 from the Central Into Work budget and private sector £442,000.
13. These projects relate well to the findings emerging from the 'Taking Forward the Darlington Gateway' research, and it may well be possible to bring further projects forward once that research is finalised.

Risks to the Council

14. There are no risks to the Council. All of these revenue projects must work within the specified budgets.

Summary

15. The BAT Legacy Fund has been used to support business development and expansion, attract inward investment, improve skills within businesses and improve job prospects with training funds for unemployed residents, former BAT employees and employees facing redundancy following several large company closures. The Fund has been used to promote Darlington as an exciting business destination and will continue to do so in 2007/2008.

Outcome of Consultation

16. No consultation was required in the production of this report.

Legal Implications

17. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

18. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

Council Policy Framework

19. The issues contained within this report do not represent change to Council policy or the Council's policy framework.

Decision Deadline

20. For the purpose of the 'call-in' procedure this does not represent an urgent matter.

Recommendation

21. It is recommended that approval is given for the release of £251,000 from the BAT Legacy Fund for 2007/2008.

Reasons

22. The recommendations are supported by the following reasons :-

- (a) To enable the BAT Legacy Fund to be spent in accordance with the BAT Legacy Fund Panel's decisions.
- (b) To enhance the economic well-being of the Borough.
- (c) To implement the economic objectives of the Community Strategy.

John Buxton
Director of Development and Environment

Background Papers

BAT Legacy Fund Panel Meetings 27.01.06, 29.01.07 Internal project progress reports.

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