

## **STATEMENT ON YEAR 3 PAYMENTS OF THE LOCAL AUTHORITY BUSINESS GROWTH INCENTIVES SCHEME (LABGI)**

Following further consideration of the new legal challenges that have been made against the current Local Authority Business Growth Incentives Scheme and the inherent uncertainty that this causes to the remaining LABGI pot, the Government is today drawing local authorities' attention to its intention to re-consider all aspects of the approach used to distribute the remaining resources available for Year 3 of the LABGI scheme.

It should also be noted that the sum total of remaining LABGI resources available for distribution will be dependent on the amounts that may be required to meet any potential consequences arising from the court's decisions on the legal challenges for years 1 and 2 of the LABGI scheme.

A further announcement will be made shortly.

**Department for Communities and Local Government  
7 January 2008**