

Report to: **Executive**
Date: **16 October 2007**
Report of: **Executive Member for Regeneration**
Subject: **Progress with the LEGI Programme and Be Enterprising Coaches**
Ward: **All**

1.0 Purpose of the Report

1.1 The purpose of the report is to provide an update on progress with the 'Be Enterprising' Local Enterprise Growth Initiative (LEGI) and to inform Executive about the network of Be Enterprising Coaches which is being established through the Programme.

2.0 Consultation

2.1 The proposals within this report have been developed in consultation with the Director of Regeneration and Development, the Head of Personnel, the Corporate Procurement Manager, and the Community Enterprise Officer.

3.0 Background

3.1 The Enterprising Communities LEGI Programme for the four Districts of Derwentside, Easington, Sedgefield and Wear Valley was approved in February 2006 under Round 1 of the LEGI Programme. Initial funding of £10.2 million has been awarded for the three year period up to March 2009, as part of a £31.2 million ten year programme to enhance levels of enterprise and economic performance within the most disadvantaged neighbourhoods of the four Districts.

3.2 The LEGI Programme targets primarily those neighbourhoods across the four Districts that fall within the 10% most employment-deprived Super Output Areas (SOAs) in England. This comprises a population of some 143,000 residents and 3,000 existing businesses. Within Easington District, the LEGI Programme area covers 47 SOAs (48% of the Programme total).

3.3 The Vision of the LEGI Programme is that by 2016, Derwentside, Easington, Sedgefield and Wear Valley Districts will be the most enterprising communities in the North East and the fastest improving area for enterprise and productivity in England. The Programme aims to release the productivity and economic potential of the most deprived local areas and their inhabitants through enterprise and investment, thereby boosting local incomes and employment opportunities. The LEGI Programme has three main themes to support this aim:

- 1) To increase total entrepreneurial activity among the population in deprived local areas
- 2) To support the sustainable growth and reduce the failure rate of locally owned business in deprived areas

- 3) To attract appropriate inward investment and franchising into deprived areas, making use of local labour resources

3.4 The Lead Authority for the 'Be Enterprising' Programme is the District of Easington Council and the Accountable Body is Derwentside District Council. The Programme is overseen by a Management Board made up of key public sector stakeholders and private sector representatives. The Programme forms part of the framework of the Economy Block of the County Durham Local Area Agreement (2007) and is also aligned with the activities of the County Durham Economic Partnership.

4.0 Progress to Date

4.1 The structures and governance arrangements for the programme were established during Year 1 (2006/07). The Management Board, with partner representation from both public and private sector organisations, has taken key decisions about programme direction, and the Programme Executive is now in place (based at Enterprise Place, Tanfield) administering implementation and monitoring programme performance.

4.2 Programme baselines and targets have now been set. PACEC were commissioned to lead and monitor baseline data and targets, which will enable the measurement of impacts and outcomes within the target communities. The PACEC research involved three key surveys with 1,800 residents, 463 businesses and 442 students to inform and determine key headline statistics, baselines and targets for the programme. The agreed key high level targets for Be Enterprising by March 2009 are to:

- create an additional 1,000 self-employed people in the target communities
- support an extra 200 businesses to start per year
- increase the net stock of VAT registered businesses by 140
- encourage a further 1,750 young people to consider starting a business or self-employment

4.3 This baseline framework has been fed into the Local Area Agreement (LAA) targets. PACEC will provide on-going support during the next two years, enabling the programme to illustrate impact.

4.4 The majority of activity during Year 1 of the programme has focussed on commissioning research and developing programme activities, with a view to the full delivery phase of the programme commencing in Year 2 (2007/08). A summary of the main achievements during Year 1 of the Programme is attached as Appendix 1 to this report, and a copy of the full Year 1 Report is available on request.

5.0 Network of Be Enterprising Coaches

5.1 The main piece of work commissioned during Year 1 of the Programme under Theme 1 - Increasing Total Entrepreneurial Activity, was a study to review the provision of business start-up services across the LEGI area, and make recommendations as to how the start-up network could be enhanced to help 'hard to reach' groups that don't access current provision. The study found that there was a significant level of interest from local residents in the target SOAs wanting to set up a business or to go into enterprise.

However, a gap was identified for easily accessible, pre-start business support that 'coaches' clients through the whole business development process. The study concluded that the LEGI programme should address the gap in pre-start support and that this should be considered in the context of closer working with voluntary and community based organisations in the programme area.

- 5.2 In order to address the recommendations of the study and create a step change in the level of new business creation in the LEGI area, the LEGI Programme has agreed to allocate significant resources to create a network of 19 'Be Enterprising Coaches' across the 4 Districts. The Coaches will provide pre-start support to local residents wishing to go into business or enterprise. The role of the Coach in essence will be to help residents through all the stages of planning to start-up a business, focussing in particular on helping people overcome the barriers which might otherwise stop them forming a business. There will be an emphasis, therefore, on getting into the community to encourage people to be enterprising and not merely being reactive to those people who are ready to set up a business. In addition the Coaches are to provide an intensive support service to clients throughout their early months of trading.

6.0 Be Enterprising Coaches in Easington District

i) Recruitment

- 6.1 The LEGI Management Board agreed that the 19 Coaches should be shared out amongst the four Districts according to the population in the LEGI areas. As Easington has 48% of the residents in the SOAs, 9 of the coaches have been allocated to Easington District. In view of the pressure on the LEGI Programme to get delivery on the ground as soon as possible, the Board also agreed that the respective District Councils should take the lead in employing and managing the coaches to ensure that they fit in with local arrangements for the provision of business support. The coaches for Easington District will therefore be part of East Durham Business Service.
- 6.2 The Coaches posts are on fixed term contracts to 31 March 2009, are fully funded by the LEGI Programme, and were open to secondments. As the Accountable Body for the LEGI Programme, and the lead on Workstream 1, Derwentside District Council co-ordinated a single recruitment exercise in July for all 19 coaches, with applicants being asked to express a District preference. As the District of Easington would be employing 9 of the 19 coaches, the EDBS Manager and a Personnel Services Officer from the Council, together with the EDBS Business Support Team Leader, were involved in all aspects of the shortlisting and interview process.
- 6.3 From 66 applicants who expressed a strong preference for working in Easington District, 21 were invited for interview. In July interviews were conducted by representatives of the two Districts nominated as first or second choice by the candidate. 7 applicants were offered posts following the interviews, and all have accepted. Of the 7 successful candidates, 3 were already working on business start-up activities in East Durham, and expressed interest in being seconded from their current employers. One is employed by East Durham Development Agency (EDDA) already working as part of EDBS, and two are employed by Acumen Development Trust working as Bizz Fizz Coaches. EDDA and Acumen have agreed to second the 3 staff into the role of Be Enterprising Coaches until

31 March 2009. This means that 3 of the Coaches have considerable experience, knowledge and contacts in the District, and have been able to start work immediately.

- 6.4 The other 4 successful candidates also have considerable experience of business start-up and enterprise advice from working in other parts of the region and should be able to hit the ground running. The remaining two posts to make up the team of nine coaches for the District will be filled as soon as there has been some practical experience of workloads and understanding of whether there are particular skills and experience needed to balance the team.

ii) Operational Planning

- 6.5 It is important that the coaches work on a team basis but also that they are rooted in the community and take every opportunity to engage with voluntary and community organisations. These factors, plus the absence of sufficient space in the main EDBS office at Novus, have informed the decision to divide the District into 3 areas for operational planning purposes, and to base a 'sub-team' of Coaches within each area. Discussions were held with the Council's Community Enterprise Officer to help determine the appropriate area split and to consider potential community venues to locate the area bases.

- 6.6 The three areas are as follows:

1. The North – Seaham, Dawdon, Murton
Two Coaches will initially cover this area and will be based from the Aim High Centre at 15 Church Street in Seaham.
2. Peterlee & Coast – Peterlee, Easington, Horden, Blackhall and Castle Eden
Three Coaches will initially cover this area and will be based from the Business Resource Centre at Horden.
3. Villages West of the A19 – Shotton, Wheatley Hill, Wingate, South Hetton, Haswell, Trimdon Station, Thornley
Two Coaches will initially cover this area and will be based from Wheatley Hill Community Centre.

- 6.7 As it is important that the coaches are active in the community they will be holding regular surgeries in approximately 20 community venues throughout the District, and will be expected to work closely with a wide range of voluntary and community organisations in their areas. The Coaches have a budget to pay for the use of community venues and other appropriate support from community and voluntary groups, thereby helping to build capacity and sustainability within the sector.

- 6.8 The LEGI Programme is also providing a flexible package of grants that will be available to residents of the LEGI areas to assist in becoming self-employed and starting up in business, to be known as the 'Enterprise Fund'. It is likely that the grant assistance will be paid on the needs of the individual, up front if necessary, and will pay for training, tools and equipment, and other appropriate expenditure involved in setting up. Up to £3,000 per start is potentially available with the average level of grant likely to be approximately half of this. Clients will only be able to access the Enterprise Fund

through working closely with an Enterprise Coach – it will not be a grant scheme that is generally available for clients of other start-up providers.

6.9 The targets that the nine Coaches are tasked with delivering are as follows:

	2007-08	2008-09	Total
Self Employment	147	343	490
Business starts	22	98	120
VAT Registrations	22	74	96

7.0 Implications

Financial

7.1 The LEGI Programme will fully fund the costs of the Be Enterprising Coaches, including staff costs, management costs, equipment such as laptops and mobile telephones, and the costs of the area bases which will be established in local community venues. Claims will be made on a monthly basis to Derwentside District Council as Accountable Body for the LEGI Programme, thereby minimising the amount of time for which the Council has to 'cash-flow' the project.

7.2 A specific scheme code has been set up within the revenue budget for EDBS and the total budget for the Coaches is as follows:

	2007-08	2008-09	Total
Coaches Costs	£194,400	£364,800	£559,200
Equipment	£12,000	£7,200	£19,200
Community Capacity	£55,680	£96,000	£151,680
Project Management	£21,600	£43,200	£64,800
Enterprise Fund	£244,800	£422,400	£667,200
Fund Administration	£7,200	£12,000	£19,200
Total	£535,680	£945,600	£1,481,280

7.3 The team of 9 Be Enterprising Coaches will be managed as part of the Business Support Team at EDBS by the Business Support Team Leader, in line with the EDBS Joint Management Agreement. The LEGI Programme will cover the costs that EDDA incur associated with line management and general administration and management of the project as a whole, through the project management fee. In line with the arrangements for the current NRF grants package, EDBS (through EDDA) will also handle the administration and grant payments for the LEGI Enterprise Fund.

Human Resource Implications

7.4 The Enterprise Coach posts are on fixed term contracts to 31 March 2009 and are fully funded through the LEGI Programme. The posts have been evaluated as Grade 9 (see job description attached as Appendix 2). The main HR implications are that the Council will be taking on any termination liabilities at the end of the fixed term contracts. However, these will be minimised in that the contracts are only for an 18 month period,

none of the 7 Coaches appointed so far have continuous local government service, and 3 of the 7 are on secondment so will return to their current employer at the end of the fixed term period.

- 7.5 It is possible that the LEGI Programme may wish to extend the Be Enterprising Coaches project beyond 31 March 2009, but this will be subject to further funding being confirmed for the LEGI Programme as a whole, and also performance of the project.

Legal

- 7.6 It is not considered that the report has any direct legal implications for the Council.

Policy

- 7.7 There are a number of positive policy implications arising from the LEGI Programme, and the Be Enterprising Coaches project in particular, in that greater attention will be able to be given to providing business start-up and support services into the more disadvantaged communities and changing existing service practices. The project provides the opportunity to address the rather fragmented approach to business start-up services that had developed as a result of the 'competitive' contracts previously managed through Business Link County Durham.

Risk

- 7.8 A risk assessment has been carried out and the necessary actions required to manage the identified risks are being implemented.

Communications

- 7.9 Communication is imperative for the success of the LEGI Programme. . Robson Brown has been appointed to work with the programme to ensure effective engagement and promotion with residents and businesses. Robson Brown has developed the Communications Strategy for the LEGI Programme as a whole, and through this the 'Be Enterprising' brand and logo has been developed. A marketing sub-group has been established, at which the District is represented by the Marketing Officer from EDBS, and all marketing activities and materials are being co-ordinated through the Programme Executive.

- 7.10 A marketing campaign for the Be Enterprising Coaches is scheduled to start in the last week of September running through to Christmas, consisting of:

- Local newspaper advertising
- Posters on bus shelters
- Promotional gifts
- Promotional materials for coaches to give clients
- A programme of events for Enterprise Week.

8.0 Corporate Implications

Corporate Plan and Priorities

- 8.1 The actions associated with the LEGI Programme will contribute to the corporate objectives related to sustainable jobs for everyone. In particular the Enterprise Coaches will contribute to the high level actions under Outcome SJ1, to develop a more

entrepreneurial culture in East Durham by encouraging new business start-ups and maximising the benefits of the LEGI Programme.

Equality and Diversity, and Social Inclusion

- 8.2 Equality and diversity issues are being addressed in the design of the projects being supported by the LEGI Programme, using a segmented approach to engagement in enterprise and business development. In particular, the proposal for the network of Enterprise Coaches has been specifically designed to increase participation of various 'hard to reach' groups and improve access to enterprise and start-up support, thereby helping to promote greater social cohesion.

E- Government

- 8.3 There are no significant e-government implications arising from this report, however the LEGI programme is seeking to maximise the use of e technology in a number of its activities.

Procurement

- 8.4 The LEGI programme operates a commissioning framework that has due regard to the most appropriate means of procurement for each activity commissioned. Initially consideration was given to the Be Enterprising Coaches project in Easington District being led by EDDA, including employment of all the Coaches. However, discussions with the Council's Corporate Procurement Officer identified that this would need to be done through the OJEU tendering process, due to the total budget involved. The LEGI Programme subsequently agreed that each District Council should take the lead, and therefore no significant procurement implications arise.

8.5 Service Plan

East Durham Business Service will be taking the lead in managing the Enterprise Coaches in Easington District and the activities outlined in this report have been built in to the 2007/8 Service Plan for East Durham Business Service.

Sustainability

- 8.6 There are no specific sustainability implications requiring attention.

Well Being Powers

- 8.7 The LEGI Programme is intended to support the achievement of greater economic 'well being' in the more disadvantaged communities across the District.

9.0 Conclusions

- 9.1 After the first year being spent on setting up, research, and project development activities, the LEGI 'Be Enterprising' Programme is now moving into project delivery in earnest, with a number of major project activities commencing over the next couple of months. The network of Be Enterprising Coaches is one of the key projects within the Programme, which is anticipated to deliver a significant proportion of the target outputs and be very high profile.
- 9.2 The Be Enterprising Coaches project provides a welcome opportunity to increase capacity to support business start-ups in East Durham through a single co-ordinated

network of support, all working towards the same objectives, and to make a significant impact on the economic potential of the most deprived areas in the District.

10.0 Recommendations

- 10.1 Executive is asked to note the update on progress with the Be Enterprising LEGI Programme and the network of Be Enterprising Coaches for Easington District.

Appendices

- Appendix 1 LEGI Programme Year 1 Achievements (2006/07)
- Appendix 2 Be Enterprising Coaches Job Description
- Appendix 3 Glossary of Terms

Appendix 1 – LEGI Programme Year 1 Achievements (2006/07)

Programme Themes	Workstreams	2006/07 Achievements
1 - Increasing Total Entrepreneurial Activity	<ul style="list-style-type: none"> • Enhanced Start up Activity • Improving Access to Workspace • Enhancing Enterprise Education 	<ul style="list-style-type: none"> • Rolled out Emerge and NES across the LEGI communities • Commissioned a Hard to Reach study – investigating how to establish enhanced start up activity • Invested in the North East Enterprise Bond • Piloted and researched entrepreneurship support programmes with 16 -19 year olds • Piloted and researched entrepreneurship simulation packages • Primary Entrepreneurs - developed a model for business development within primary schools and piloted the approach. • Developed, piloted and established a web based virtual office business support facility • Implemented capital improvements and pilots in key workspaces within the districts • Researched business support, property demand and investment potential within the communities.
2 - Supporting Sustainable Growth And Reducing the Failure Rate of Locally Owned Businesses	<ul style="list-style-type: none"> • Developing Local Clusters • Enterprising Centres • 'Fastest 50' Companies • Employability and Skills • Access to Opportunity 	<ul style="list-style-type: none"> • Established Sedgefield Engineering Forum • A Clusters study assessed and provided recommendations to develop clusters. • Researched Fastest 50 offer • Commissioned BSupplied to implement hands-on retail business support and research the sector within 4 town centres.
3 - Attracting Appropriate Inward Investment and Franchising.	<ul style="list-style-type: none"> • Franchising 	<ul style="list-style-type: none"> • Commissioned Franchising research and established offer to implement within year 2 of the programme.

Appendix 2 – Be Enterprising Coaches Job Description

DISTRICT OF EASINGTON COUNCIL DIRECTORATE OF REGENERATION AND DEVELOPMENT

Job Title: LEGI Be Enterprising Coach
Responsible To: Business Support Team Leader, EDBS
GRADE: Grade 9 (£27,492 - £29,010, pay award pending)

OVERALL OBJECTIVES OF POST:

To facilitate the start-up and development of successful small and medium sized businesses within target communities by advising and supporting existing or potential entrepreneurs in the project area, utilizing the local networks to help entrepreneurs overcome any obstacles to their development.

Contribute to the overall delivery, operation and promotion of the LEGI Be Enterprising Coach programme, including the provision of business advice, training and technical support for clients. Secondments welcome.

KEY TASKS

1. To promote the LEGI Be Enterprising project to potential entrepreneurs, Community and Voluntary organisations, business support agencies and other appropriate organisations within the LEGI target area. This will include hosting and attending relevant workshops/seminars on a local or regional level.
2. To provide practical coaching, information, business advice and support to potential entrepreneurs, and LEGI Be Enterprising business start-up clients. This will include advising on business planning and financial management.
3. To meet with existing and potential entrepreneurs to explore their objectives, commitment and the resources available to them, and assist them to establish appropriate goals and plans.
4. Where appropriate and possible, to actively work with existing and potential entrepreneurs to secure the resources necessary, and to overcome other barriers, to achieve their goals and plans.
5. To provide advice and support to assist potential entrepreneurs and pre-start businesses to develop comprehensive business plans.
6. To develop and deliver appropriate training and mentoring support for new businesses across the LEGI target area. This will include ensuring that a programme of aftercare for, and subsequent liaison with, all clients is prepared and implemented.

7. To promote the flexible Be Enterprising Fund to LEGI pre-start clients, explain the terms and conditions, assess clients' need for grant support, and collect evidence / monitor the use of the grant.
8. To secure the involvement of other relevant organisations to provide advice and assistance to appropriate clients. This will include arranging for appropriate technical and administrative support to be provided for client entrepreneurs.
9. To develop appropriate local networks, by identifying individuals & organisations within the local area who can provide additional support, working and developing close professional relationships with the voluntary and community organizations.
10. To gather information on, and develop effective working relationships with, business support providers and other relevant agencies, to enable appropriate referrals and to assist existing and potential entrepreneurs to take advantage of appropriate business support services.
11. To provide performance management information as required by the LEGI Be Enterprising Programme and assist in the collection and interpretation of monitoring information, including customer and stakeholder feedback.
12. To support the whole Be Enterprising Coaches Project across the 4 Districts making up the LEGI area. Some movement between districts may be necessary due to demand.
13. Any other duties appropriate for the successful operation of the LEGI Be Enterprising Programme for entrepreneurs.

GENERAL TASKS:

14. To comply with Equal Opportunities legislative requirements and Council Policy to ensure equity in employment matters and service provision.
15. To ensure compliance with all Health and Safety legislative requirements within the section.
16. To ensure that Standing Orders and Financial Regulations of the Council are adhered to.
17. To uphold the Council's standing as a body providing public services in a professional, competent, helpful and polite manner.
18. To maintain strict confidentiality at all times.

Appendix 3 – Glossary of Terms

LEGI	Local Enterprise Growth Initiative
SOAs	Super Output Areas
LAA	County Durham Local Area Agreement
PACEC	Public and Corporate Economic Consultants (appointed by LEGI Programme to develop and monitor baseline data)
EDBS	East Durham Business Service (the business support partnership between the District of Easington Council and East Durham Development Agency)
EDDA	East Durham Development Agency (the enterprise agency for the District of Easington)
OJEU	Official Journal of the European Union (publication where tenders above a certain threshold need to be placed to meet public procurement rules)