

Report to: Regeneration Services Scrutiny Committee
Date: 29th October 2007
Report of: Report of Manager of East Durham Business Service
Subject: Service Unit Performance Report - East Durham Business Service
Ward: All

1.0 Purpose of the Report

- 1.1 To provide information on the performance of East Durham Business Service.

2.0 Consultation

- 2.1 Consultation has taken place with the staff of East Durham Business Service, the Executive Member for Regeneration and the Director of Regeneration and Development.

3.0 Background

- 3.1 East Durham Business Service (EDBS) was established in July 2003 as a joint working arrangement between the Council's economic development function, and East Durham Development Agency (EDDA). EDBS provides a single point of contact for support and advice to businesses in Easington District.

- 3.2 The Business Service aims to 'make East Durham great for business and promote its success' by:

- i. developing an entrepreneurial culture in East Durham
- ii. fostering business growth and business survival
- iii. generating quality and sustainable employment for local people
- iv. promoting lifelong learning, health and skills development amongst the existing and future workforce
- v. developing the physical infrastructure to meet business and tourism needs
- vi. encouraging investment into East Durham

- 3.3 The effectiveness of the joint working arrangement and the overall performance of EDBS is overseen by a Joint Management Executive. This comprises the Chairman, Vice Chairman of EDDA Limited, and from the District of Easington the Leader, Executive Member for Regeneration, Chief Executive, and Director of Regeneration and Development.

- 3.4 This report to Service Delivery Scrutiny covers the performance of EDBS for the first six months of 2007/08, from 1st April 2007 to 30th September 2007.

4.0 Summary

- 4.1 EDBS has made good progress so far this financial year to meet its targets and continue the range of programmes and initiatives to assist in developing the local economy.

- 4.2 Appendix 1 lists the key priorities and activities that EDBS is undertaking during 2007/08 towards each of its six aims as listed in paragraph 3.2 above. Appendix 2

shows the progress that has been made against the performance targets in the EDBS Service Plan for 2007/08.

- 4.3 In addition to the targets listed in Appendix 2, major areas of work for the Economic Development Team within EDBS during the first half of the financial year have been in relation to the Local Enterprise Growth Initiative (LEGI) Programme, and the Deprived Areas Fund.
- 4.4 EDBS has continued to take the lead on behalf of the four Districts involved in LEGI to develop the workstream on 'Transforming Enterprise Culture'. Two projects have been developed to go out to tender to deliver activity under this workstream. One is for a programme of education activities to encourage and increase opportunities for entrepreneurship in schools, colleges, and amongst workplace learning providers. The detailed programme is currently being drawn up by the Children and Young People's Service which submitted the successful tender, and is likely to include an innovation fund for schools and young people to bid for funding to deliver and implement enterprise activities or establish a business. The other project is for an organisation to manage a programme of 'enterprise simulation' workshops within the LEGI targeted communities, to deliver practical and realistic enterprise education to a variety of age groups and clients helping to raise aspirations, motivate, develop business acumen and demonstrate the possibility of entrepreneurship.
- 4.5 Another key development through the LEGI Programme has been the establishment of a network of Enterprise Coaches to provide pre-start support to local residents wishing to go into business or enterprise. The role of the Coach is 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. The Coaches will work closely with voluntary and community groups to encourage people to be enterprising, and not merely be reactive to those people who are ready to set up a business. As Easington has 48% of the residents in the Super Output Areas targeted by the LEGI Programme, 9 coaches have been allocated to Easington District, to be funded by LEGI. 7 out of the 9 posts have been filled so far, and the Be Enterprising Coaches took up post during August and September. They are based in 3 area teams, covering The North (Seaham, Dawdon, Murton), Peterlee & The Coast (Peterlee, Easington, Horden, Blackhall and Castle Eden) and The Villages West of the A19 (Shotton, Wheatley Hill, Wingate, South Hetton, Haswell, Trimdon Station, Thornley). They will also 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.
- 4.6 The Deprived Areas Fund (DAF) is a national initiative that aims to increase employment rates in wards in local authority areas with the highest levels of worklessness, such as Easington. The impetus for DAF resulted from a variety of needs such as ensuring that area based initiatives are focused and duplication of activity at a local level is reduced. The aim of DAF is to address localised worklessness needs by giving local authorities, in partnership with their LSP's, the flexibility to deliver tailored support or provision to suit local needs and circumstances. Easington has been awarded £708,000 this financial year (2007/2008) to develop proposals and deliver activity, and the Economic Development Team has taken the lead in pulling together proposals on behalf of the District, working with the LSP Employability Task Group to ensure co-ordination with other activity addressing worklessness in the District. Five delivery proposals have been submitted and are awaiting formal approval.
- 4.7 In terms of employment issues, the Apprenticeships programme, to match young people with companies, continues to prove successful with 36 young people commencing apprenticeships so far, and a further 10 due to start at the beginning of

October. The wage subsidy that helps employers meet the cost of taking on an Apprentice is proving to be an important tool in encouraging local companies to get involved in the scheme, and the subsidies available are already over-subscribed. Provision for an additional 15 wage subsidies has been included as part of the delivery proposals for the Deprived Areas Fund referred to above. However, one issue that does seem to be having a negative impact on the take-up of apprenticeships relates to the availability of engineering training locally. A number of young people have decided not to pursue an apprenticeship because they didn't want to travel outside the District for their training.

- 4.8 As well as helping to develop the proposals for DAF discussed above, the Lifelong Learning Co-ordinator has been active in supporting and developing lifelong learning initiatives within the District. Most notable of these was a donation from Eden Farm, a Peterlee based employer who has been working with EDBS over the last 3 years. Grants, advice and support from EDBS have enabled Eden Farm make substantial increases in productivity and turnover, and the Managing Director of was so appreciative of the support from EDBS that the company donated £10,000 back into the local community to support family and community learning projects. The Lifelong Learning Co-ordinator circulated an invitation for applications to Family & Community Learning networks, and 5 projects were agreed for support. The Lifelong Learning Co-ordinator has also been involved in work with Fusion, a contact centre which took over part of the Orange building, to enable them to engage more closely with local schools, colleges and community groups.
- 4.9 It has been a busy period in terms of marketing activities, with a particular focus on marketing Novus Business Centre. Considerable work went into organising an open day at the end of May for prospective tenants and land agents to have an opportunity to look round the Centre, and in co-ordinating the official opening of Novus Business Centre by Margaret Fay, Chairman of One NorthEast, which took place at the end of August. Another major piece of work has been the redesign of the EDBS website which went live in July.
- 4.10 On the business support side of the Service, the first quarter of the year was very quiet in terms of business starts coming forward, which has had an impact on the targets achieved to date. However, activity picked up in quarter 2 and the new network of Be Enterprising Coaches, which are managed by EDBS, is expected to have a significant impact on the number of people going into self-employment in the District. EDBS will be hosting its fourth 'Celebration of Enterprise' event in November to celebrate the achievements of the new start businesses it has helped to create, and promote the District as a place where businesses can thrive and grow.
- 4.11 In terms of business growth, the Business Service has advised 74 businesses to date and 17 companies expanding or relocating within the District. Work has also been undertaken to assist companies who may have to relocate from North East Industrial Estate to identify suitable alternative premises within the District.
- 4.12 The Novus Business Centre Co-ordinator is based within the Business Support Team, and takes the lead in responding to enquiries for units and liaising with tenants. In terms of occupancy, take-up of units at Novus has been a little disappointing, and the occupancy rate is someway behind what had been hoped. However, from talking to organisations running similar facilities in other parts of the County, it appears that it is quite common for take-up to be slow during the first year of being open. Most enquiries to date are for the medium to large units within the Novus, with less demand for the units that are under 150 sq ft, which are aimed at start-up businesses that have been working from home and now want to take their first office premises. Consideration is being given to other ways in which to market these units and help with the initial costs of taking such a step for a small business.

4.13 The tenants currently within Novus are as follows:

Unit	Company Name	Contact Name	Business Activity	No. Staff	Entry date
3	Event Cover Ltd	Peter Hardy	Event steward training	5	01.02.07
5	RI Solutions	Colin Richardson	IT Solutions	1	01.03.07
8	Visual Soft	Richard Bendelow	Web design	2	01.03.07
11	TACS Training	Rick Nicholson	Engineering Assessor	4	01.12.06
17	The Mortgage Doctor	David Young	Mortgage Consultancy	1	07.09.07
18	Profound Services Ltd	Brian Ward	Recruitment Agents	2	01.02.07
21	Energy Partners	Bob Pritchard	Energy Consultants	2	19.03.07

4.14 On the positive side, since moving into Novus Business Centre three tenants have taken on 6 new members of staff, one tenant has moved to a larger unit, and one further tenant is moving to a larger unit on 1st November. Two more units have been taken from the beginning of October, and another tenant is going through the application process with a view to moving in by the end of the month.

5.0 Implications

Financial

5.1 It is not considered that there are any financial implications resulting from this report.

Legal

5.2 It is not considered that there are any legal implications resulting from this report.

Policy

5.3 It is not considered that there are any policy implications resulting from this report.

Risk

5.4 A risk assessment has been completed and all the necessary actions required to effectively manage the identified risks either have or will be implemented.

Communication

5.5 There are no issues regarding communications related to this report.

Corporate

5.6 It is not considered that there are any corporate issues resulting from this report.

6.0 Recommendations

6.1 That Members note the contents of the report, and the positive progress made by East Durham Business Service.

Background Papers/Documents referred to

EDBS Service Plan targets - performance management records 2007/2008