

 Employment Committee 15 December 2008		Agenda Item No.
Title	Enterprise Team Staffing	
For further information about this report please contact	Ray Smith, Enterprise Development Manager or Paul Pinkney, Head of Economic Development & Regeneration	
Service Area	Economic Development & Regeneration	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Employment C'tee. 11 th March 2008 Minute 11	
Background Papers	Executive 18 th Sept. 2007; Executive 10 th Dec. 2007; Employment C'tee. 13 th March 2007.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director		Bill Hunt
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		Jenny Clayton
Portfolio Holder(s)		John Hammon
Consultation Undertaken		
A comprehensive survey of the needs of local people was undertaken in 2006 as part of the CUP Programme research. This is summarised in Appendix A		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 This Report seeks approval for a new 2 year Community Enterprise Officer Post to be funded by the Warwick Local Strategic Partnership (WLSP)
- 1.2 This report also seeks to rationalise the process in the management structure for the Enterprise Hub and establishes a flexible Management system which would ensure that the team meets the needs of the newly established Enterprise projects.

2. **RECOMMENDATION**

- 2.1 That the Employment Committee approves the additional Community Enterprise Officer Post on a fixed term 2 year contract at 18.5 hours per week (0.5) FTE.
- 2.2 That the Employment Committee authorises the Head of Economic Development and Regeneration to vary the hours of the Senior Enterprise Support Officer and Enterprise Support Officer posts within an overall maximum of 57.2 hours, if a replacement member of staff had to be recruited or a member of staff themselves asked for a change in their hours.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 To take the opportunity for extending enterprise related activities throughout Warwick District, rather than restricting them to the Brunswick Ward as part of the AWM funded post (already approved) attached to the Brunswick Enterprise Zone project. There is no financial cost to the Council and the new Community Enterprise Officer post will be managed within the established Enterprise Team structure.
- 3.2 To provide management flexibility to vary hours of the reception and administration team based in the Althorpe Enterprise Hub, provided the already agreed number of hours of 57.2 across the three posts is not exceeded. This will allow the hours worked by the reception & admin team to be adjusted over time to suit the operational needs of the projects and ensure that costs are contained within agreed budgets.

4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 Community Enterprise Officer Post:
 - do nothing – not accept the funding approved. In this case local people in deprived wards in the Warwick District Council area would not benefit from the increased level of enterprise activity and awareness. The proposed activity is very relevant in the current economic downturn with many people having been made redundant or possibly facing redundancy and considering other employment options such as self employment.
- 4.2 Enterprise Team Hours:
 - approve current hours worked only and submit new reports as and when further changes to hours worked are required. This is not the preferred option as ED&R consider that flexibility to respond to staff is essential. The new Enterprise Team may want to reduce or increase their hours. ED&R would also have the opportunity to review the hours worked by the team, if a member of staff leaves.

5. BUDGETARY FRAMEWORK

- 5.1 It is not proposed that any changes are made to the Enterprise Team budgets as approved at the 11th March 2008 Employment Committee.
- 5.2 The additional Community Enterprise Officer is fully funded by WLSP funding totaling £33,059 over 2 years. A breakdown of this figure is provided in Appendix A

6. POLICY FRAMEWORK

- 6.1 The Enterprise Projects support the Corporate Strategy Development priority to exploit opportunities for new business growth and the creation of new jobs

7. BACKGROUND

- 7.1 The Employment Committee approved the establishment of the Enterprise Team within the Economic Development & Regeneration Service area on 11th March 2008. The team's purpose is to manage the Council's enterprise projects established as part of the CUP Programme. The new projects comprise of: Althorpe Enterprise Hub (formerly know as Althorpe Innovation & Enterprise Centre); Court Street Creative Arches; and, the Brunswick Enterprise Zone (formerly known as Brunswick Enterprise Hub). The team will also manage the Spencer Yard Phase 1 development.

The Enterprise Team, as approved, comprises of the following posts:

1. Enterprise Development Manager (FT) with overall responsibility for the team
2. Althorpe Enterprise Hub Manager (FT)
3. Senior Enterprise Support Officer (PT)
4. Enterprise Support Officers x2 (PT)
5. Community Enterprise Officer x1 (PT) attached to Brunswick Enterprise Zone and working in Brunswick Ward

The Enterprise Development Manager, Senior Enterprise Support Officer and one Enterprise Support Officer are already in post and form the project team working to establish the three new projects, as set out above.

These projects are a key part of the new Economic Development & Regeneration service area and demonstrate an innovative approach to economic development within Warwick District. The CUP projects will create new jobs and businesses that will help regenerate not only south Leamington but will also stimulate the roll out of enterprise activity, with our partners, throughout the District.

Earlier in the year WDC secured funding of £100K from the WLSP under the 'Narrowing the Gap' agenda. The Enterprise Team submitted a proposal to use some of this funding to create a second Community Enterprise Officer post. This person will be tasked to run enterprise activities throughout Warwick District on similar lines to activity in Brunswick Ward as part of the Brunswick Enterprise Zone project.

The Enterprise Team proposal was successful and funding for this new two year part time post (0.5 FTE) has recently been approved by the Public Service Board. The post will be offered on a fixed term contract and would only be extended if further outside funding could be obtained. (See Appendix A for details of the application submitted to the WLSP).

Provided the CUP projects operate within agreed budgets it is proposed that the Head of Economic Development and Regeneration be allowed to vary the hours of the Enterprise Team, within the establishment, to provide flexibility in meeting the local operating needs of these new projects subject to the maximum number of hours approved across the Team (not exceeding 57.2 - the number of hours approved at the 11th March 2008 Employment Committee). (See Appendix B) It should be stressed that this is a new venture for Warwick District Council and that some flexibility in how the service is delivered to customers may be necessary.

Any changes to the proposed hours shown in Appendix B would only occur if there was a need to recruit a replacement member of staff, or a member of staff asked for a change in the number of hours worked.

“Narrowing the Gap” Funding Proposal

Community Enterprise Officer for Warwick District

1. Lead Partner Contact name and contact details:

Ray Smith Business Development Co-ordinator, Warwick District Council;
ray.smith@warwickdc.gov.uk; tel 01926 833908

2. Partners involved:

WDC, Advantage West Midlands (AWM), Brunswick Healthy Living Centre, Regenesi 2 (Old Town Charity)

3. Priority area:

(1) initiatives to offer people with no skills opportunities to develop them via access to training, and initiatives to maximise the income of those whose incomes are the lowest

4. Briefly describe the project and how it will help “narrow the gap”

Funding from the “Narrowing the Gap” fund is sought to enable the new post of Community Enterprise Officer, an essential part of the delivery of the Brunswick Enterprise Zone project (previously described as the Brunswick Enterprise Hub project in the earlier application), to be increased from one part-time (0.5fte) officer to 2 part-time (0.5 FTE) officers), enabling the work to be extended to other communities in Warwick District where there are inequalities of opportunity and income.

Warwick District Council has already secured funding from Advantage West Midlands (AWM) towards the cost of employing one part-time Community Enterprise Officer for 2 years. It has been agreed that Years 3 & 4 of the post will be funded by WDC.

Background

The funding which has already been approved for the Brunswick Enterprise Zone will enable the construction of an extension to create a small area within the community centre where local people can access training, advice, information and resources on setting up and running their own business. The aims of the BEH project are in line with the UK Government’s Local Enterprise Growth Initiative (LEGI) which aims to stimulate economic growth within deprived urban communities through enterprise and skills development.

The role of the CEO will be to build a local “enterprise culture” by raising awareness and interest among local people in the possibilities of self-employment, business and enterprise – including social enterprise. This will be done through events, seminars and learning activities. He or she will also co-ordinate a programme of training and learning for each potential entrepreneur – through a combination of taught courses including Warwickshire College, Business Link workshops and business training, as well as facilitating self-learning for clients using internet facilities at the Enterprise Zone.

The project will provide short-term desk and pc hire for those who are in the very early stage of their business development, and will have a strong focus on women's business development (working in partnership with the Women's Business Development Agency) and on raising awareness of social enterprise in the local community as a business model and as a step towards employment and wealth creation (working with the Coventry & Warwickshire Co-operative Development Agency and Social Enterprise West Midlands). The project has already secured grant funding for a series of events in the community to promote wider understanding of social enterprise.

5. Who will benefit

Additionally to the Brunswick area, a full-time or two part-time Community Enterprise officers would work with local communities in Warwick District, in particular Lillington (Crown), Warwick North and Warwick West wards where local people could benefit from direct assistance towards becoming self employed and running their own business or social enterprise.

The current project has secured funding on the premise that in areas of deprivation there is untapped entrepreneurial potential which can be developed through support, training, mentoring and building personal relations with clients in their immediate locality rather than requiring clients to travel to urban centres in the West Midlands.

The project will be accessible to all, although it is anticipated that the opportunities will appeal particularly to women and ethnic minority communities.

Evidence of need

In 2006 a Business and Jobs Survey was conducted in both Brunswick and Lillington areas of Leamington. The findings suggested that local people might well be interested in starting their own business but there are significant barriers preventing them from getting started including lack of information, lack of knowledge of business practices and fear of financial risk/debt. The Key Findings for both surveys are attached at Annex 1.

Other research based on national statistics indicates that Warwick North and Warwick West wards are comparable to Brunswick and Crown wards in having the highest Index of multiple deprivation scores (Index of Deprivation 2004), including employment, education, skills and training deprivation. Warwick West is one of five wards (among them also Crown and Brunswick) featuring most frequently among highest deprivation indicators and where there are higher than average levels of economic inactivity.

The Community Enterprise Officer(s) will be charged with developing an enterprise culture among those communities whose traditional sources of work i.e. the manufacturing and assembly industries, are diminishing – and where the impact of manufacturing plant closures is being felt - notably the closures of Ford in Leamington and Pottertons in Warwick. Official estimates suggest that the county of Warwickshire lost 6,300 employee jobs in manufacturing between 2000 and 2004.

6. Where will the project take place

Venues for delivery of the service would ideally be well-used and accessible community buildings such as the Packmores Centre, the GAP, the Lillington Children's' Centre and the Sydni Centre in addition to the Brunswick Enterprise Zone at the Brunswick Healthy Living Centre, where the original project will be delivered. The worker or workers will have a visible presence at these places at designated times, and will most likely derive clients from among the regular users of the centres.

7. What LAA/Community Strategy outcomes do you anticipate the project will help to achieve?

The project will help to achieve the following outcomes by assisting people to develop and make a success of their business idea with the objective of becoming self-employed, and by encouraging the take up of existing training opportunities for people who are thinking about starting a business.

- ✓ Reduce benefit claims
- ✓ Increase skills
- ✓ Increase average earnings
- ✓ Increase the number of businesses in the area
- ✓ Improve access to services

The project will contribute to achieving the following proposed new LAA National Indicators targets:

- NI 152 Working age people on out of work benefits
- NI 166 Average earnings of employees in the area

Current baseline factors

It is known that levels of enterprise creation in deprived areas are significantly lower than in more affluent areas.

Brunswick ward is among the 30% most deprived wards in England. It is an ethnically diverse community with low levels of economic activity and some of the lowest levels of household income in Warwickshire, and where the level of female self-employment is well below the national average: 2.4% as compared with 4.8% nationally (2001 census).

Overall, Warwick District with 8.54% has a higher than average proportion of self-employed people than the West Midlands area and for England as a whole. However within Warwick West ward the figure falls to just over 7%. (Neighbourhood Statistics)

In surveys undertaken locally (see Appendix) while a considerable proportion of people had considered starting a business (Brunswick 44%, Lillington 33%) fear of failure was cited as a major disincentive to actually progress the idea (Brunswick 49%, Lillington 45%). Likewise fear of getting into debt (Brunswick 77%, Lillington 84%) was a significant restraining factor.

Outcomes

The Community Enterprise Officer's role will be to focus on raising confidence levels and awareness of self-employment possibilities within those communities where fear of failure and fear of getting into debt are holding people back. This will be done through encouraging people to access training courses through Business Link and its specialist partners CDA and the Women's' Business Development agency, as well as through local awareness-raising events, and mentoring and support for individuals.

Findings show that social enterprises are usually more numerous in deprived areas. Over half (51%) of registered social enterprises nationally are located in areas of higher multiple deprivation, with 29% of social enterprises operating in the top fifth of most deprived wards. Therefore raising awareness of social enterprise in the most deprived wards of Warwick District will be one of the objectives of the CEO.

Measurable outcomes

Measure	Number per year	Monitored through
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No of people accessing Business Link training modules or other specialist business training e.g. CDA, WBDA (nos. differentiated by gender, age and ethnicity)	10	Business Link client records
No of people attending events focussing on enterprise creation	50	Attendance records at events organised by the Community Enterprise Officer(s)
No of people attending events to improve understanding of social enterprise	20	Attendance records at events organised by the Community Enterprise Officer(s)
No of young people (16-25) accessing the project	15	Client records kept by Community Enterprise Officer(s)
No of BME clients accessing the project	15	Client records kept by Community Enterprise Officer(s)
No of female clients accessing the project	15	Client records kept by Community Enterprise Officer(s)

Monitoring and reporting

Under the terms of its funding contract with Advantage West Midlands, Warwick District Council is contractually required to monitor and report measurable outputs, and systems will be put in place to ensure this happens. The Community Enterprise Officer, reporting to the Project Manager, will be responsible for tracking and evaluating activities and outcomes in a format approved by AWM.

8. Cost of project

The Brunswick Enterprise Zone funding award from AWM includes revenue of £40,000 over a two-year period – this includes £28,000 towards the CEO post.

The current bid seeks £33,059 from the Narrowing the Gap fund.

Breakdown

Salary costs as follows:

Period	Duration	Cost	Notes
Jan 09 to Mar 09	3 months	£3500	Based on £14K p.a.
Apr 09 to Mar 10	12 months	£14420	£14K plus 3% Inflationary rise
Apr 10 to Dec 10	9 months	£11139	£14420 plus 3% inflationary rise
Total Salary Costs	2 Years	£29059	

Marketing and events budget to raise awareness of the service among local communities
£4K

Total Costs

<u>Basic Salary</u>	<u>£28000</u>
<u>Allowance for Inflation linked pay increase</u>	<u>£1059</u>
<u>Marketing & Events Budget</u>	<u>£4000</u>
<u>TOTAL funding request</u>	<u>£33059</u>

9. How long will the project last and how much funding do you need each year?

The AWM funding covers the first two years of salary costs for one 0.5 FTE post. The 3rd and 4th years' salary will be funded by WDC.

The LAA funding if approved will complement the activities of the Brunswick Enterprise Zone enabling a District wide programme of activity to be rolled out for the period January 2009 until December 2010. During this time activities with delivery partners will become well established and (subject to partners core funding continuing) will continue in the other venues outside Brunswick under the direction of the WDC Enterprise Team.

Breakdown by year

2008/09

Salary Cost	£3500
Marketing/Events	£500
Total Costs	£4000

2009/10

Salary Cost	£14420
Marketing/Events	£2000
Total Costs	£16420

2010/11

Salary Cost	£11139
Marketing/Events	£1500
Total Costs	£12639

10. Describe the exit strategy for the project and how you anticipate that mainstream resources may be shaped in future as a result of this funding

It is anticipated that work on raising awareness of social enterprise and of enterprise in the community, and supporting new entrepreneurs in the target areas will be picked up and carried on by project partners including Business Link, CWCDA and WBDA beyond the lifetime of the project with co-ordination and support from the WDC Enterprise Team.

Annex 1

**BRUNSWICK BUSINESS & JOBS QUESTIONNAIRE
130 residents surveyed
Key findings**

Interest in / knowledge of setting up business:

44% of respondents, or a family member, had thought about setting up a business

21% would like to know more about setting up a business

36% had some idea of where to go to get information about starting a business

Of these, the majority would go to a Bank for information, with Jobcentre, other family member, Business Link and the Internet as other sources of information

Perceived problems / disincentives associated with setting up a business

Two-thirds of respondents cited lack of finance as one of the problems associated with starting a business

77 % cited fear of getting into debt or adding to existing debt

45 % cited the difficulty of becoming self-sufficient, i.e. coming off a wage or benefits

Fear of failure was seen as a disincentive for 49% of respondents

Economic activity

43 % of those surveyed were economically active i.e. in full- or p-t work, self employed or on a government training scheme / apprenticeship

19% were either unemployed, or permanently sick or disabled

A further 29% were retired, caring for children, the home or another person, or volunteering

16% were students

Of those unemployed, 53% wanted information about training opportunities in the Brunswick area

Gender/age/ethnicity of sample

Female 56%

Male 44%

68% in the 16-44 age range, with the largest group in the 25-34 range

White 88%

BME 12%

**Lillington survey, September 2006
Survey of 164 residents**

Key findings

Interest in / knowledge of setting up business:

33% of respondents, or a family member, had thought about setting up a business

20% would like to know more about setting up a business

41% had some idea of where to go to get information about starting a business

Of these, the majority would go to a Bank for information, with Jobcentre, Connexions, Business Link, CAB, family member, the Chain (advice shop), the library and the internet as other sources of information

Perceived problems / disincentives associated with setting up a business

69% of respondents cited lack of finance as one of the problems associated with starting a business

84 % cited fear of getting into debt or adding to existing debt

50 % cited the difficulty of becoming self-sufficient, i.e. coming off a wage or benefits

Fear of failure was seen as a disincentive for 45% of respondents

Over one-third cited the complicated regulations to do with starting a business

Economic activity

63 % of those surveyed were economically active i.e. in full- or p-t work, self employed or on a government training scheme / apprenticeship

49 % were either unemployed, or permanently sick or disabled

A further 39% were retired, caring for children, the home or another person, or volunteering

Of those unemployed, and looking for work 25% wanted local advice on jobs and local training opportunities in the Lillington area

17% of respondents had a long-term illness or health problem.

Gender/age/ethnicity

Female 63%

Male 37%

78% in the 16-44 age range, with the largest group in the 25-34 range

White 86.2% ;

BME 13.8%

Appendix B – Employment Committee 15th December 2008
Enterprise Team Staffing Report

Enterprise Team	Grade	Hours approved	Current/Proposed Hours	Start Date
		11th March 08	Hours	
Team in post:				
Enterprise Development Manager	C	F/T	F/T	In Post
Althorpe Enterprise Hub Manager	F	F/T	F/T	Mid Jan 2009
Senior Enterprise Support Officer	G	0.5 FTE (18.5)	20	In Post
Enterprise Support Officer (Court St Arches)	H	0.6 FTE (20.2)	15	In Post
Enterprise Support Officer	H	0.5 FTE (18.5)	20.5	Mid Jan 2009
Sub Total ESO Hours		57.2	55.5	
BEH Community Enterprise Officer (BEH)	E1	0.5 FTE (18.5)	0.5 FTE (18.5)	Mid Jan 2009
BEH Community Enterprise Officer (District)	E1	0.5 FTE (18.5)	0.5 FTE (18.5)	Mid Jan 2009