

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Cabinet Member for Regeneration and Environment</b>
2.	<b>Date:</b>	<b>20<sup>th</sup> September 2010</b>
3.	<b>Title:</b>	<b>Rotherham Growth &amp; Prosperity – ERDF bid</b>
4.	<b>Programme Area:</b>	<b>Environment and Development Services</b>

### **5. Summary**

This paper informs the Cabinet Member of an ERDF bid, to be submitted by the RiDO Business Development Team, which will seek funding support to deliver the Soft Landing Zone activity in the Council's Business Incubation Centres

### **6. Recommendations**

- **To note the report.**
  - **To endorse the submission of the Outline Business Plan (OBP) and the development of a Full Business Plan (FBP) for the project.**
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## **7. Proposals and Details**

RiDO has recently been successful in securing Soft Landing Zone status for its network of Business Incubation Centres, from the National Business Incubation Association (NBIA). This award, of which Rotherham is one of only two in the UK, means that it has been identified as having specialized programs and/or facilities for helping companies break into new markets.

This 3-year ERDF project builds on the NIBA Award and two decades of successful delivery of incubation programmes and inward investment. RiDO sees its next phase of development as capturing international business, and growth of existing businesses in to global markets. The first aspect of this being encouraging additional successful knowledge based business to set up in Rotherham by attracting foreign business. The second aspect being working with home grown talent to develop ideas that have true potential to create export focused businesses through accelerated development and support.

To work with the two Sheffield universities - utilising web based forums, where access to potential ideas for graduates and existing South Yorkshire Businesses would be available, encouraging spin out businesses.

Rotherham MBC requires ERDF funding to fill the funding gap, which is being sought under Priority 2 under which the project fits well. This project will attract and grow high technology businesses in to Rotherham delivering 15 foreign businesses locating in Rotherham, and 30 Business to have developed a business plan to expand into foreign markets.

## **8. Finance**

The project currently has a proposed total cost of £1,384,615. ERDF will provide £900,000 of this, with the remainder coming from RMBC through the time of existing staff and the use of facilities within the Business Incubation Centres. This means that ERDF is being claimed at the maximum intervention rate of 65%

## **9. Risks and Uncertainties**

A number of potential risks in delivery of the project have been identified during its development. More details on these risks can be found in the OBP along with mitigating actions for each of them.

Securing of the money is not certain until final approval of the Full Business Plan (FBP) has been secured and a contract signed. However, eligible spend can be defrayed from the date the OBP was approved (1<sup>st</sup> September 2010), although this is at risk until the contract is signed.

## **10. Policy and Performance Agenda Implications**

The project will contribute towards the achievement of the following strategic priorities under the Achieving Theme of the Community Strategy:-

- Promote innovation, enterprising behaviour, competitiveness and sustainability.

- Promote business start ups, growth and inward investment

### **11. Background Papers and Consultation**

A copy of the Outline business plan for the project is attached as an appendix to this paper.

RMBC Finance have been consulted on this report

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