

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Regeneration and Environment
2.	Date:	6th June 2011
3.	Title:	Enterprise Support in Rotherham
4.	Programme Area:	Environment and Development Services

5. Summary

This paper informs the Cabinet Member of the current situation with regard to enterprise support in the borough and to seek endorsement for exploring possible funding sources to continue provision of support post 2011, when the current ERDF project finishes.

6. Recommendations

- **To note the report.**
 - **Task the Regeneration Team in EDS, to lead on developing a potential Regional Growth Fund bid to extend the lifetime of the current project.**
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7. Proposals and Details

Background

Rotherham has a history of good practice in the support of business starts and new businesses in their early years of operation. This support includes:-

- A network of RMBC Business Incubation Centres (BICs) at Magna, Dinnington, Moorgate Crofts and the Dearne Valley
- A Beacon Award for “Supporting New Businesses”
- Reigning Champion of the “Enterprising Britain” competition.
- UKBI National Champions (2005 and 2011)
- Rotherham Ready
- Rotherham Youth Enterprise

Rotherham Enterprising Neighbourhoods

In order to build on this experience and to promote self-employment in the more deprived areas of the Borough, the Rotherham Enterprising Neighbourhoods project commenced in January 2009.

The project is a partnership between RMBC (RiDO & CYPS), VAR and Barnsley and Rotherham Chamber of Commerce. They each deliver a different strand of activity, although these are linked together to provide the best strategic impact. The various strands being:-

Community Business Coaches (RMBC - RiDO): Coaches focusing on working with people from the most deprived areas of the Borough, supporting them to set up their own businesses. Some cases studies of people assisted through this strand of the project are attached to the report as an appendix.

Business Community Support Officers (Chamber): Working with new businesses within the Borough, predominantly those 1-3 years old.

Rotherham Ready (RMBC – CYPS): Works with schools across the borough to embed enterprise learning by enabling teachers to identify and highlight enterprise skills in lessons taught under the current curriculum.

Rotherham Youth Enterprise (RMBC – CYPS): Provides support to young people aged 18 -30 to start their own businesses and to promote self-employment as a viable career option to those leaving fulltime education.

Social Enterprise Support (VAR): Provides support to people seeking to set up social enterprises within the borough and to existing social enterprises.

To the end of 2010, the project has delivered the following outputs against the agreed profile:-

Output	Profile to 31/12/10	Actual to 31/12/10	Variance
No. of new businesses created	59	292	233
No. of businesses created that are social enterprises	0	20	20

No. of new jobs created	175	243	68
No. of Jobs Safeguarded	100	336	236
No. of SME businesses assisted	204	193	-11
No. of social enterprises assisted	19	22	3
New jobs created for women	60	94	34
New jobs created for BAME	25	16	-9
New businesses created majority female owned	11	62	51
New business created majority BAME owned	5	10	5
Jobs safeguarded for women	19	136	117
Jobs safeguarded for BAME	12	109	97

The way forward

With cuts being made across the public sector, the current level of business support is likely to reduce appreciably.

Business Link Yorkshire reduced its service from 1st April 2011. The majority of business advisers will leave and it will become predominantly an internet and phone portal.

The Enterprising Neighbourhoods project currently ends on 31st December 2011.

It is suggested that with ERDF funds still available; a bid is submitted to the Regional Growth Fund (RGF) for a 2-3 year extension of the existing project. The job and business creation potential evidenced in its lifetime to date should mean that it will have a reasonable chance of meeting the selection criteria for the RGF.

Any extension to the project would seek to continue and build on those parts of the existing activity that have been demonstrably successful. It would also seek to fill any gaps in provision that can be identified through consultation with partners and stakeholders.

8. Finance

The total value of the Enterprising Neighbourhoods project is £6,608,865. This is split between ERDF (£3,568,785) and a variety of match funding (£3,040,080), which had already been defrayed prior to the project commencing.

Any bid to RGF would need to be for a minimum of £1million, meaning additional funding of £2million when this was matched with ERDF.

9. Risks and Uncertainties

In the current economic climate the amount of available external funding has reduced significantly. Although there is additional ERDF available to support an extension to the

activity this would need matching by other “clean” sources of funding in roughly a 50/50 split.

Failure to secure match funding will mean the project ceasing at the end of 2011, or early 2012 if the money can be stretched until then. After this, any business support provision would have to be delivered by the market and the LEP have already stated that they would want this to be focused on potential high-growth sectors with the recipients paying market price for any support they receive. Therefore any activity of this type will need to be funded and managed at a local level.

10. Policy and Performance Agenda Implications

The suite of enterprise support activities currently operating in the borough contribute to the following strategic priorities of the Community Strategy:-

- Promote innovation, enterprising behaviour, competitiveness and sustainability
- Promote business start ups, growth and inward investment
- Promote business growth and improved productivity by supporting employers to develop and train existing staff.
- Improve skill levels of the working age population.

11. Background Papers and Consultation

A copy of the Enterprising Neighbourhoods ERDF bid is available on request.

RMBC Finance have been consulted in the writing of this report.

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