



Cabinet Meeting

23 April 2014

Report title	Deprived Area Fund Community Enterprise and Corporate Social Responsibility Grant	
Decision designation	RED	
Cabinet member with lead responsibility	Councillor Peter Bilson Economic Regeneration and Prosperity	
Key decision	Yes	
In forward plan	Yes	
Wards affected	All	
Accountable director	Tim Johnson, Education and Enterprise	
Originating service	Partnerships Economy and Culture	
Accountable employee(s)	Heather Clark	Strategic Projects and Funding Manager
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Report to be/has been considered by	N/A	

Recommendation(s) for action or decision:

That Cabinet recommends that Council:

Pursuant to the Financial Procedure Rules, approves a grant of £70,000 per annum (total value (£140,000)) from Deprived Area Fund resources to Access to Business to fund the Community Enterprise Development Support project.

The Cabinet is recommended to approve:

1. A grant of £5,000 to GTG Training to deliver a Corporate Social Responsibility strategy.
2. Delegated authority for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director, Education and Enterprise, to agree seedcorn grants to third parties up to a maximum of £2,000 per enterprise as part of this project.

3. A virement of the remaining £120,000 DAF revenue within the Economic Partnerships and Investment budget to the Neighbourhood Services budget for a Community Economic Development Officer and the seed corn/development grants.
4. That the Chief Legal Officer be authorised to execute the contract.

1.0 Purpose

- 1.1 The purpose of the report is to seek delegated authority to issue grants to third parties to deliver a Community Enterprise Development Support and Corporate Social Responsibility project.

2.0 Background

- 2.1 The Deprived Areas Fund (DAF) was allocated to the most deprived areas in 2006 with the intention of supporting disadvantaged customers in the most deprived wards to move towards the labour market. Feedback from the Skills Funding Agency, which originally allocated the resource, confirmed that the resource should continue to be ring-fenced to support enterprise and employment in deprived communities. Cabinet (Resources) Panel agreed on 3 April 2013 to utilise remaining DAF to fund a revenue project aimed at supporting community businesses and local enterprise advice organisations.
- 2.2 Recent national research carried out by The Princes Trust and YouGov in May 2003 of 1,627 16-30 year olds, including 271 not in employment, education and training indicated that almost a quarter of unemployed young people (24 per cent) would rather try to set up their own business than continue to job-seek in today's competitive market. However more than half of young people (59 per cent) say that not having enough money would prevent them from setting up in business.
- 2.3 A seed fund of £20,000 will be available in each year, overseen by a senior council employee and councillor. This fund will be used to address the barriers to enterprise and stimulate enterprise creation within deprived communities. A maximum of £2,000 per enterprise will be made available.

3.0 Community Enterprise Development Support and Corporate Social Responsibility Projects

- 3.1 The aim of the Community Enterprise Development Support project is to significantly strengthen enterprise development at the grass roots level within local communities, targeting the most deprived areas in Wolverhampton. To deliver this aim, this report seeks approval to allocate a grant to Access to Business to deliver the community enterprise development support in line with a contract and information, performance and outcomes requirements outlined in appendix A.
- 3.2 Access to Business have been identified as the provider of the community enterprise development support in recognition of their experience working in Wolverhampton's deprived areas and with vulnerable groups, social enterprise expertise and the ability to add value by attracting additional resource to the project. Access to Business has more Small Firms Enterprise Development Initiative (SFEDI) accredited advisers in enterprise

and social enterprise than any other Wolverhampton organisation. Their staff have expertise to deliver Information Advice and Guidance to support excluded groups including people with disabilities and health problems and vulnerable women working with the Haven. They have specialist expertise in the development of social enterprise, a key element of community enterprise, and are the only local organisation with the social enterprise mark. They have recently completed the Transforming Local Infrastructure project supporting 18 new social enterprises. The grant will enable them to pull down resources to deliver additional enterprise support in Wolverhampton over and above what can be delivered through this project by acting as match funding for the extension of their successful European Regional Development Fund (ERDF) Support Employment and Enterprise Development (SEED) project which achieved 84 business starts against a target of 56. It will also complement their Royal Bank of Scotland Raising Aspirations for Women and Inspiring Self-employment (RAISE) which has already supported 76 women exceeding its target of 50 women.

3.3 As part of this project, Access to Business will:

- Engage with project users in deprived area locations.
- Offer individual advice and guidance for self-employment; with support and referral to employment, education or training if self-employment is not a chosen route.
- Run workshops or courses to support project users to plan and start a business.
- Support for project users to research and prepare a business plan, cash-flow forecast and register a business.
- Support for project users after starting a business or social enterprise for a period of twelve months; includes information, advice, guidance, mentoring and resource support.
- Innovative methods developed by the provider for engagement, mentorship and outcomes are to be encouraged

3.4 DAF will also fund a fixed term Community Enterprise Development (CED) Officer, preferably recruited internally, who will focus on the most deprived communities. The role of the Community Enterprise Development Officer includes:

- Work closely with local communities, partners and businesses to identify the potential for community enterprises including social enterprise within our most deprived areas.
- Manage the effective delivery of the Community Enterprise Development Support project including overseeing the delivery, monitoring and performance management in line with the grant agreement outlined in appendix A.
- To monitor performance against outputs and quality of delivery to ensure that value for money is achieved and authorise payments quarterly on the basis of actual delivery against profile.
- To service and support a cross partner service delivery group for community economic development acting as the governance structure for this project. Membership will include Wolverhampton City Council Neighbourhood Services, Economic Partnership and Investment, relevant voluntary and community sector organisations including Access to Business.
- Attend relevant networks such as the Social Enterprise Network and Women's Business Forum to ensure linkages with existing businesses and social enterprise including identifying a business champion to attend the delivery group.

- To identify and rollout good practice of community economic development in other areas.
- To identify and secure resources for the long-term sustainability of this project.

3.5 The Community Enterprise Development Support project aims to support 720 individuals through one-to-one advice sessions and workshops, support the creation of 72 businesses and refer a further 648 to employment, education and training. A seed budget of £20,000 per annum for each of the two years will be available to support initial start-up costs, mentoring, workshops etc. This will only be provided where alternative funds are unavailable and will be up to a maximum of £2,000 per enterprise.

3.6 In addition, £5,000 of the DAF fund will be used to develop a Corporate Social Responsibility (CSR) strategy by GTG Training with the aim of developing a detailed action plan that local businesses can adopt to integrate CSR policies within their existing operations. GTG Training recently invested £10 million in Wolverhampton with the creation of 10 jobs and is keen to maximise their impact on local economic benefit. The Council is aiming to develop the necessary policies and procedures to maximise local economic benefit from inward investment and GTG will support the Council achieve this aim acting as a template for future inward investors. Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development whilst improving the quality of life of the workforce and their families as well as of the local community and society at large. Some of the common activities undertaken as part of CSR include diversity and equal opportunities; community investment and environment including reducing energy, water and waste; giving aid to local organisations and communities; helping to build the skills of the local people through community based development; supporting staff fundraising activities or payroll giving; offering staff volunteering opportunities and providing learning and development activities.

3.7 In Wolverhampton, there is a limited adoption of CSR policies by businesses. The work to be undertaken by GTG Training based in Wednesfield can be rolled out to other businesses to adopt best CSR practices that are to the benefit of their business and to Wolverhampton residents.

4.0 Financial implications

4.1 Funding for this project is from remaining Deprived Area Fund (DAF) which was allocated in 2006 to support disadvantaged customers in the most deprived wards to move towards the labour market. Approval to use the remaining £265,000 DAF resource to fund a Community Enterprise was approved by Cabinet Resources panel 3 April 2013.

4.2 This report seeks approval to issue grants to third parties as part of this project. Approval is sought specifically for grants to Access to Business to deliver Community Enterprise Development Support and GTG Training to deliver a Corporate Social Responsibility Strategy as follows:

Project Name	Community Enterprise Development Support
Project Provider	Access to Business
Annual Grant Agreement Value Year 1 (2014/15)	£70,000
Annual Grant Agreement Value Year 2 (2015/16)	£70,000
Total Grant Agreement Value	£140,000

Project Name	GTG Training Corporate Social Responsibility
Project Provider	GTG Training
Grant Agreement Value	£5,000

4.3 As the grants to Access to Business will be in excess of the £50,000 limit for the total amount of grant payable to any recipient in any financial year, as set out in the Council's Financial Procedure Rules, approval of full Council will be required for the payment of this grant.

4.4 The remaining £120,000 revenue is currently held within Economic Partnerships and Investment revenue budget with an equal amount available in 2014/15 and 2015/16, slipping one financial year from that stated in the original March 2013 report - 2013/15 to 2014/15 – due to late start of the project. It is proposed that this balance transfers to Neighbourhood Services to manage a fixed term Community Economic Development Officer and the seed corn/development funding of £20,000 per annum over the two financial years. It is recommended that delegated authority is granted for the Cabinet Member for Economic Regeneration and Prosperity in consultation with the Strategic Director, Education and Enterprise, to agree these seedcorn grants to third parties. [ES/03042014/R].

5.0 Legal implications

5.1 This report seeks approval to issue a grant in accordance to an agreed contract in line with schedules outlining our requirements for the delivery of the project. [JH/01042014/Y]

6.0 Equalities implications

6.1 An equalities analysis was completed in March 2013. The focus of the project on Wolverhampton's most deprived areas is likely to have positive equality implications advancing equality of opportunity.

7.0 Environmental implications

7.1 We anticipate that the development of community enterprises will have positive environmental implications depending on the nature of businesses supported through this project.

8.0 Human resources implications

8.1 A small amount of the DAF resource is being used to employ a fixed term Community Economic Development officer. This is currently going through HR procedures.

9.0 Corporate landlord implications

9.1 None

10.0 Schedule of background papers

10.1 Cabinet (Resources) Panel – 3 April 2013

Appendix A: Information, Performance and Outcomes Requirements

Outcomes	Targets End of Year One	Targets End of Year Two	Frequency and Dates of Information Submissions
<p>Events with Project Users Groups in outreach locations evidenced by an attendee list and feedback forms.</p> <p>Provider to notify Council one month prior to an event for PR purposes</p>	12	24	<p>Quarterly: 1 June 14 1 October 14 1 February 15 1 June 15 1 October 15 1 February 16</p>
<p>One hour of individual and personal advice and guidance for self-employment evidenced by a client registration form signed by a Project User.</p>	360	720	<p>Quarterly: 1 June 14 1 October 14 1 February 15 1 June 15 1 October 15 1 February 16</p>
<p>Workshops or courses to support Project Users to plan and start a business evidenced by an attendee list and feedback forms.</p> <p>Provider to notify Council one month prior to an event for PR purposes</p>	12	24	<p>Quarterly: 1 June 14 1 October 14 1 February 15 1 June 15 1 October 15 1 February 16</p>
<p>Business start evidenced by a signed business start form, signed by a Project User, and a HMRC Unique Tax Reference Number</p>	36	72	<p>Quarterly: 1 June 14 1 October 14 1 February 15 1 June 15 1 October 15 1 February 16</p>
<p>One hour of business support and mentoring evidenced by a mentoring form signed by a Project User that has benefited from the Project.</p>	18	36	<p>Quarterly: 1 June 14 1 October 14 1 February 15 1 June 15 1 October 15 1 February 16</p>

<p>Referral to employment, education or training programmes evidenced by an education, employment or training verification form signed by a Project User</p>	<p>324</p>	<p>648</p>	<p>Quarterly: 1 June 14 1 October 14 1 February 15 1 June 15 1 October 15 1 February 16</p>
<p>A short report of no more than 1500 words on lessons learnt from the Project and recommendations for future development</p>	<p>-</p>	<p>-</p>	<p>1 February 16</p>