

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

**Report of the Executive
Director Place**

Enterprising Barnsley: Support for New Start Up Businesses

1. Purpose of report

- 1.1 To seek approval to enter into a funding agreement with the Department of Communities and Local Government (DCLG) to implement a programme of services to support pre-start, start up and early stage businesses. On behalf of Sheffield City Region (SCR), BMBC is leading a consortium with partners from Sheffield, Rotherham, Doncaster, Derbyshire Dales and Bassetlaw Councils, and the Prince's Trust to secure funding from the SCR Combined Authority and DCLG.

2. Recommendations

It is recommended that:

- 2.1 Cabinet agrees that approval is given for the Executive Director Place to authorise the contracts on behalf of the Council.
- 2.2 Cabinet agrees that approval is given for the Director of Finance, Assets and Information Services to amend revenue budgets in accordance with the financial implications and Appendix A of this report.
- 2.3 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Director of Human Resources, Performance and Communications to implement the revised staffing structure as shown at Appendix D.
- 2.4 Cabinet agrees that approval is given for the Executive Director Place in consultation with the Director of Legal and Governance to contract with the programme partners at Sheffield, Rotherham, Doncaster, Derbyshire Dales and Bassetlaw Councils plus the Prince's Trust.
- 2.5 Cabinet agrees that approval is given for The Council to act as Accountable body for the New Start Up business programme.

3. Introduction

- 3.1 Sheffield City Region (SCR) has established a business model 'Growth Hub' for coordinating business support across the City Region. The new arrangements will simplify access to business support from national, local, public and private business providers.
- 3.2 The Growth Hub will provide 'Centres of Excellence', working together to support residents and businesses with new business start up advice, access to finance, export, skills and innovation.
- 3.3 Programme management and delivery of the New Business Start Up centre of excellence is to be led by BMBC and is the subject of this report.
- 3.4 The consortium is bidding for funding to implement a programme to help individuals start a business and improve the survival rates of businesses.
- 3.5 Total value of the proposed programme is £3,990,190 with the Council due to be offered contracts of £350,000 from the SCR Combined Authority and £2,371,778 from DCLG via the European Structural and Investment Funds (ESIF) programme. Balance of funding is to come from the seven partners.
- 3.6 The programme is due to commence in April 2016 for a period of 3 years to provide support to pre-start and early stage businesses.
- 3.7 This report seeks approval for the Executive Director Place to authorise funding agreements on behalf of the Council and to enter into legal agreements with the seven programme partners.

4. Consideration of alternative approaches

- 4.1 The 'Do Nothing' option would likely result in no business start up offer amongst the programme partners across the Sheffield City Region. In this option Barnsley would lose an opportunity to access external funding and to provide a City Region partnership based approach to make progress towards closing the economic deficit of the stock of businesses.
- 4.2 Submission of bids from individual local authorities was not an option as the funding criteria stipulated the need for collaborative working to provide services across all areas of the Sheffield City Region. .

5. Proposal and justification

- 5.1 The recommended option is that BMBC contracts with the SCR Combined Authority and DCLG to deliver this new start-up programme.
- 5.2 This approach would realise an integrated programme of support that offers value for money and the leveraging of external funding. .
- 5.3 A dedicated Barnsley team of eight FTE posts (5 new positions and 3 current positions) will undertake programme management on behalf of the consortium and deliver direct business support in Barnsley.
- 5.4 The Digital Media Centre will be the central base for the delivery of support in Barnsley and the services of expert private sector associates will be commissioned.
- 5.5 The Local Authority partner delivered support will be enhanced by specific support from the Prince's Trust for 18 to 24 year olds.
- 5.6 An integral element of the programme will see Doncaster Metropolitan Borough Council recruit and manage volunteer business mentors to enhance other activities of the programme.
- 5.7 The recommended option will enable BMBC to make progress with growing the local economy and achieve the maximum benefit of service delivery for residents and businesses.
- 5.8 Increasing the stock of businesses is a key ambition of the Barnsley Jobs and Business Plan and this activity will contribute to the achievement of that goal.
- 5.9 Local residents will be helped to create new businesses and be supported through the early stages of business to help increase survival prospects.
- 5.10 The offer will include start up courses delivered at flexible times and a dedicated facility at the Digital Media Centre which individuals can access on an ad hoc basis. Business clinics will be available for individuals to improve their business acumen, and to discuss business challenges and opportunities.
- 5.11 Two FTE Business Start Up Advisors will be available to meet with individuals and early stage businesses, at their convenience, where be-spoke support will be developed. This will be enhanced by on-going associate and mentor support for individuals to tackle specific problems should they arise.
- 5.12 The programme will add value to activity delivered by local intermediaries, such as banks and accountants, enabling interaction with all members of the local business community to play a part in supporting economic growth.

- 5.13 Enterprising Barnsley is a recognised brand within the local business community, primarily with established businesses and inward investors. This programme aims to extend that credibility to business start-up support.
- 5.14 The establishment of relationships at an early stage of the life of a business aims to bond growing businesses to the Borough allowing local people to reap the benefits through increased employment opportunities and local economic development via supply chains and local spending.
- 5.15 In Barnsley it is envisaged that in excess of 1,000 individuals / businesses will receive support with over 400 new businesses being created over 3 years.
- 5.16 BMBC will contract with each partner detailing what financial and output performance is expected. The requirements from DCLG and SCR contained in the main contracts with BMBC will be passed on to each partner.
- 5.17 Partnership governance arrangements will include establishment of a programme management board consisting of funders and partners.
- 5.18 The monitoring, evaluation and auditing of the programme will be led by the Enterprising Barnsley programme management team.

6. Implications for local people / service users

- 6.1 The programme will encourage and support investment and business growth in Barnsley through creation of new businesses, additional jobs and supply chain development, all of which will have a positive impact for local people

7. Financial implications

- 7.1 Consultation on the financial implications to this report has taken place with colleagues in Financial Services on behalf of the Director of Finance, Assets and Information Services.
- 7.2 The financial implications to this report are summarised in the attached Appendix A.
- 7.3 The Apprenticeship placement will cost £0.012M per annum. This expenditure will be financed from the existing base budget for Corporate Apprentices.
- 7.4 Barnsley MBC will act as accountable body for the SCR New Start Up business programme. The total cost of the programme will be £3.990M. This will be financed by ESIF (£2.372M), Sheffield City Region (£0.350M), Princess Trust contribution (£0.232M) and match from partner Authorities (£0.736M).

7.5 The match funding required from the Council will be £0.300M over the 3 year contract period. This is phased as follows:

2016/17 £0.092M
2017/18 £0.096M
2018/19 £0.112M

7.6 The expenditure in 2016/17 is to be financed by existing base budget (£0.042M) and Jobs and Business Plan funding (0.050M) as recently agreed by Cabinet.

7.7 Match funding for the remaining two years of the contract will need to be considered and contained within the overall resource envelope agreed for the Place directorate as part of the 4 year plan to be considered by Members in Autumn 2016.

7.8 The programme will be managed by a team of eight posts employed by the Council. Four of these posts are existing posts which were funded by a combination of Jobs & Business Plan funding and base budget.

8. Employee implications

8.1 The establishing of an additional 4 FTE posts of Business Start Up Manager (10), Business Start Up Adviser x 2 (9) and Project Officer (7) are to be created on fixed term contracts up to a maximum of 3 years.

8.2 The programme management posts of Programme Manager x 1 and the retitled Contract Compliance Officer x 2 (current title EB Monitoring Officer) x 3 (2 FTE) from the Enterprising Barnsley Programme are to be dedicated posts to ensure compliance of the DCLG and the SCR contracts.

8.3 A corporate apprentice placement position is proposed to be created that would include a placement for a period of up to 18 months.

8.4 The line management of the Business Start Up Manager post is to be undertaken by the Business Incubation Manager post. The additional duties and responsibilities have been incorporated into a revised job profile which has been evaluated at Grade (11).

8.5 The Programme Manager post is occupied on a secondment basis from one of the Contract Compliance Officer posts. This secondment is due to end on 31st March 2016 and the permanent filling of this post will now be actioned.

8.6 The backfilling of the vacant Contract Compliance Officer post is due to come to the end of a fixed term contract on 31st March 2016. This fixed term position will be extended for a period up to a maximum of 3 years.

8.7 Implementation of the new structure and recruitment and selection to the new posts will take place in accordance with BMBC HR Policies and Procedures.

9. Communications implications

9.1 Marketing and publicity will be undertaken to promote the benefits of the programme. This will include a series of press releases.

10. Consultations

10.1 Consultation has taken place with representatives from the Director of Finance, Assets and Information Services regarding the financial implications and Risk Management implications.

10.2 Consultation has taken place with the Director of Human Resources and the Trade Unions regarding staffing implications.

10.3 Consultations have taken place with representatives of the Director of Legal and Governance regarding the legal implications of contracting with funders and partners plus any future procurement process.

11. The Corporate Plan and the Council's Performance Management Framework

11.1 The proposals in this report are consistent with Council's Corporate Plan 2015-18 and directly contribute towards the aspiration of delivering a thriving and vibrant economy. A specific outcome of this objective is to increase the stock of businesses and jobs.

11.2 The corporate performance framework monitors the vibrancy and health of the Barnsley economy. This programme will contribute towards the number of new business starts and the number of new jobs created.

12. Risk Management issues

12.1 There is a comprehensive risk register for this programme which will be reviewed and updated on a regular basis.

12.2 As at the last review of the risk register, the following risks were noted as being 'red':

Risk	Current Score	Mitigations	Target Score
Governance arrangements for the scheme	Category 2 (Red)	Development of Terms of reference and Memorandum of Understanding for all partners	Category 4 (Amber)
Adherence to legal agreements	Category 2 (Red)	Development of policies and procedures, including escalation route to DoF level	Category 4 (Amber)

12.3 Through the robust mitigation of these risks, it is envisaged these will be reduced to more tolerable, or acceptable levels. Remaining significant risk will be reported through the Partnership Board in order to identify and develop further mitigations, in liaison with partnering organisations to further reduce these risks.

13. Promoting equality, diversity, and social inclusion

13.1 There will be direct implications in the Social Inclusion Agenda. The creation of new companies will mean jobs and skills across a range of activities. This will assist efforts to reduce social exclusion.

13.2 Enterprising Barnsley is a Borough wide programme emphasising equality and inclusiveness.

14. Reduction of crime and disorder

14.1 The programme aims to encourage and support creation of new businesses and new jobs in Barnsley that may have benefits in terms of reducing levels of crime and disorder.

15. Glossary

15.1 The European Structural and Investment Funds (ESIF) are the EU 's main funding programmes for supporting growth and jobs across the EU. In the UK, the ESIF are made up of the: European Regional Development Fund (ERDF) European Social Fund (ESF) European Agricultural Fund for Rural Development (EAFRD).

16. List of appendices

Appendix A – Financial Implications
Appendix B – Proposed Staffing Changes
Appendix C – Current Staffing Structure
Appendix D – Proposed Staffing Structure

17. Background papers

Files located at Westgate Plaza One.

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