

## APPENDIX B

### Local Enterprise Growth Initiative Application Form

Please refer to the accompanying guidance notes when completing this application form.

#### 1. General Information

Please state which local authority or local authorities this application relates to:	Kirklees
Please state which local authority or local authorities will be the accountable body/bodies:	Kirklees
Main contact(s) for the application:	Mary Snadden
Position(s) held:	Business Services Manager
Address/Addresses:	Economic Development Service Civic Centre 3 Market Street Huddersfield HD1 2EY
Telephone number(s):	01484 221412
Email address/addresses:	<a href="mailto:mary.snadden@kirklees.gov.uk">mary.snadden@kirklees.gov.uk</a>

#### 2. Proposal Summary

(a) Please briefly outline your proposals.

Executive Summary - Unlocking potential - changing lives

##### **Our plans**

We are passionate about unlocking potential and changing lives in our communities, and we are passionate about this bid. LEGI offers us a real chance to transform people's lives and to increase their income, skills, and aspirations. We want, and need, this opportunity

This bid is for £14.105 million to deliver the first 3 years of a 10-year programme within our most deprived communities and, as a result of this programme, we will have achieved the following additional outputs in our first 3 years

500	New business starts
150	Business mentored
575	Jobs supported
50	New franchise opportunities developed
33	Business networking events
12	Community centres developed as Creative Enterprise Action Zones
2000	Residents involved in community activities
3000	Young people involved in enterprising activity

We believe that our bid must be owned, and fully supported by, as well as embedded in, our target communities, and our proposal has been developed by a wide partnership. This bid is community-driven and delivered, whilst being strongly supported by the private sector. The bid has been developed on behalf of the Kirklees Economic Partnership, which supports the Economy and Enterprise Local Public Service Board, and our commitment to the bid being based within the community has resulted in a wide LEGI development group.

In developing our bid, we identified 4 key themes and each theme has been led by a practitioner with the experience, expertise and networks to know what will add value.

These themes are:-

### **Business<sup>2</sup>**

a number of businesses, including some willing to invest in future business initiatives, have formed this group, along with representatives from 'On Course Kirklees', a public/private sector group led by Barry Sheerman MP. We have looked at how to encourage the creation of new businesses, the growth of our existing business base, and inward investment activities.

### **Education**

Fundamental to achieving long term culture change is education. Representatives from schools, FE, HE, the Council and the voluntary and community sector have come together to take a holistic look across the system to identify gaps and ways that increased impact can be achieved. They have also considered skills and training requirements across the proposal and our commitment to improving education and skills is embedded in all our activities.

In Kirklees we have a strong track record in partnership work to engage residents of local communities into learning. The project will build on the multi-sector Neighbourhood Learning Networks, developed with support from local neighbourhood renewal and neighbourhood management teams, in the most disadvantaged areas of Kirklees. Supporting and training local residents to play an important role in researching local needs is a key aspect of this approach. The critical role of community based staff and volunteers in supporting residents to

access learning is recognised and supported. Partners are committed to working together to drive up the quality of neighbourhood based learning. The strength of this multi-sector approach is reflected in the Adult Learning Inspectorate report for Kirklees LEA:

*'The service has particularly effective partnerships with colleges and (the) voluntary sector....these directly benefit learners by providing good quality provision on their doorsteps.....The service has an outstanding approach to needs analysis... Equality and social justice are at the heart of the service.'*  
Adult Learning Inspectorate 2004

We will maximise our impact through linkages with the developing neighbourhood learning networks. We will build on current initiatives that are developing flexible local education provision drawing on the strengths of all sectors underpinned by a coherent approach to accreditation - LEGI will accelerate such developments.

Through LEGI we will ensure enterprise in its widest sense is valued, and starting a business is a real option of choice. LEGI will be used to ensure that resources are made available to educators in schools in our target areas with support on their integration into the curriculum. Through additional funding to our local networks, a framework of skills and developmental provision with *coherent* progression routes will be made available to our volunteers, our community workers and our school community network; as well as ensuring appropriate workforce skills development for employees and management of businesses in the area. Our network of businesses willing to provide support will themselves be given skills to undertake this, which will also develop skills for their own business.

We know that enterprise is a current priority in the educational system and that various investments through core provision are being made. LEGI will allow us to ensure progression and linkages across the different developments. We will build on this investment with activities specifically focused in deprived areas to increase skill levels and engagement in life long learning.

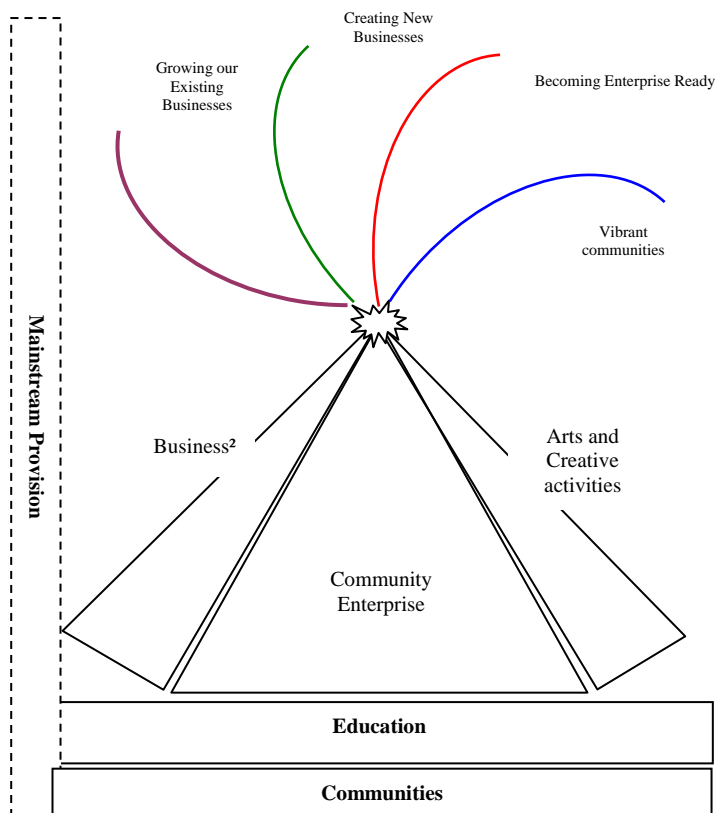
### **Creativity**

This theme provides some of the foundations of our LEGI bid, as well as activity that will relate directly to outputs, and is a theme all our groups are passionate about and believe is a fundamental asset to our LEGI approach. We have used creativity in our approach: creativity to increase innovation and sustainability in traditional businesses and; creativity to engage our communities.

### **Community**

Our communities, and the support organisations working within them have developed this theme which embeds our activities, delivery and ownership in our local communities.

So, our bid is based on the following model



which reflects the importance of community involvement and empowerment as a driver for success and the key role of education in transforming our communities. These themes come together to form a **ROUTE INTO ENTERPRISE** which has four key stages in it. These are

- Vibrant Communities
- Becoming Enterprise Ready
- Growing the number of businesses
- Growing existing businesses

The route we have developed can be accessed by any resident or business and they will be able to key into the activities which are most appropriate for their needs. Our ability to deliver this ambitious programme relies on our Enterprise Enablers who will be based within the communities. These Enterprise Enablers will ensure that everyone is able to, and confident enough, to access this route. Whilst they will do

very different things, and come from very different backgrounds, they will all have a passion for their communities, and a passion to make our LEGI ambitions a reality.

### **VIBRANT COMMUNITIES**

At different stages along the route, different themes will be relevant . At the start of the route we will use creativity, sport, music and arts activities to engage our communities, and we have developed a range of activities which will increase the confidence of the community and bring them into an enterprising environment.

### **BECOMING ENTERPRISE READY**

The next stage on our route into enterprise is to support residents to become enterprise-ready. This process, which again uses creativity and arts, will also include education and skills-based development and will offer the opportunity to explore the possibilities of self employment and community enterprise development. This stage on the route is not just about creating new businesses. It is about developing skills and aspirations and a desire to be involved in enterprising activity which may lead to economic activity but which may also result in residents seeking employment, further education or involvement in community activities

### **CREATING MORE BUSINESSES**

The Kirklees Enterprise Foundation is the cornerstone of our activities, and our pilot project has shown a demand for this intensive and specific support. The advantage of the Foundation is that it offers a very supportive environment to nurture entrepreneurs who may not have all the technical skills to run a business but do have one or two of the pillars of enterprise identified through the Sirolli Institute model. The Foundation also has the strong backing of a number of key businesses and investors in Kirklees and will draw in significant private sector leverage. Under this flagship activity, we have a number of supporting strands that add value to existing business support provision by breaking down the barriers to residents accessing this support and, by “filling the gaps” we will increase the number of small businesses in our communities.

### **GROWING OUR EXISTING BUSINESSES**

We have 2660 businesses in our Neighbourhood Renewal Areas (NRAs) and we will fill the gaps in existing provision by offering additional support which uses creative techniques to improve business performance. We will also encourage and support 21<sup>st</sup> Century working techniques and develop much stronger links between our businesses and the communities in which they’re based.

### **WHERE WE ARE – THE PLACE**

Kirklees is in the heart of the Transpennine corridor, equidistant from Leeds Manchester and Sheffield. Our close proximity to three core cities, and strategic location on the M62/M1 axis brings many advantages to our residents able to access a wide range of job opportunities within a 30 minute commute. The district, which has a long history of excellence in manufacturing, is now building a reputation for creativity – both in the growth of the creative industries and in our use of creativity to address social inclusion issues and to grow the economy. However, the downsizing in manufacturing industry has contributed to significant pockets of deprivation, which are strung across the district, making the gap between the life experiences of our disadvantaged communities and their near neighbours even more apparent.

Reflecting the needs and aspirations of our communities, existing NRA activities are focused on improving health, lifestyles, and basic skills, and reducing crime and, whilst all these activities contribute to encouraging economic activity, LEGI now offers us a real chance to completely transform people's lives and to increase income levels, skills and aspirations.

As our Local Area Agreement details, we want to secure

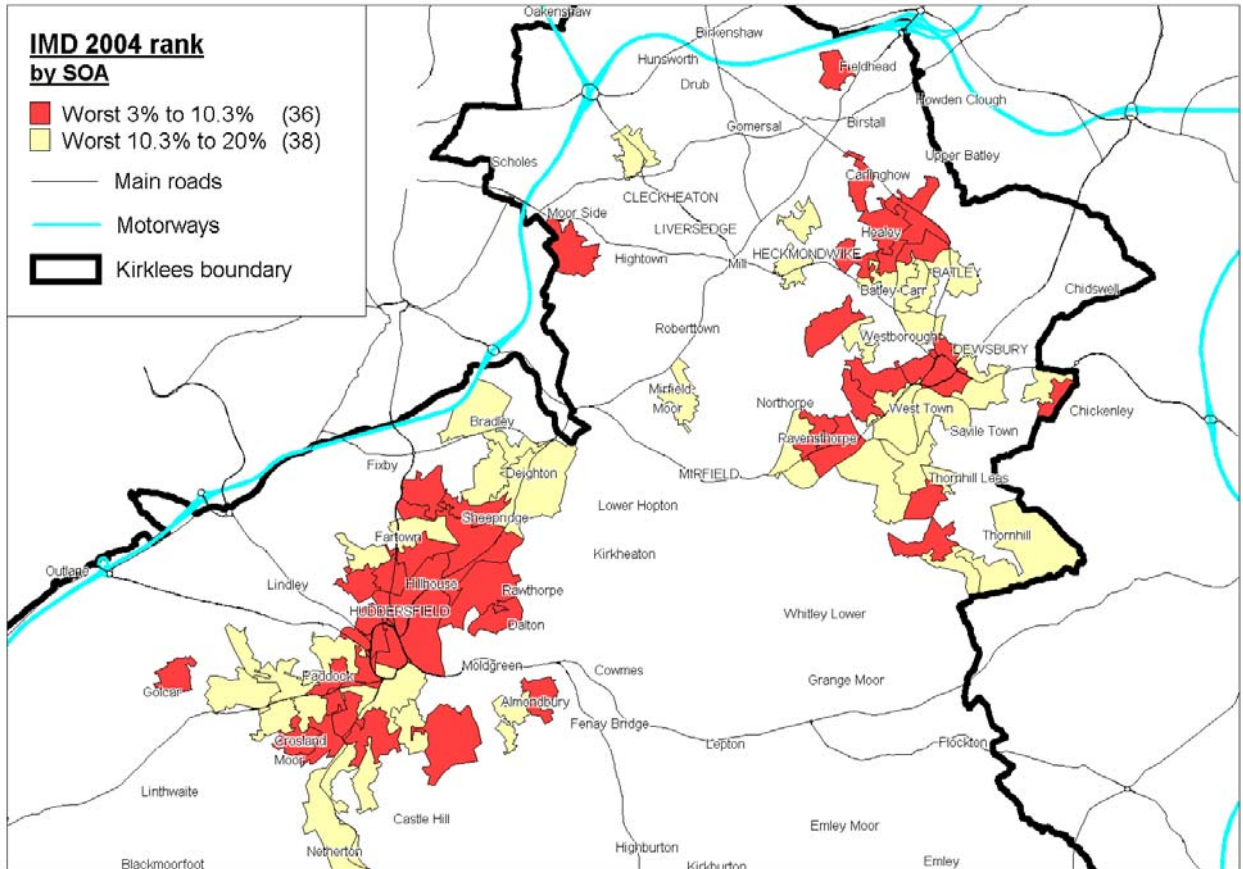
- More investment
- More business
- More jobs
- Increased income

Our LAA has identified three interlinked economic outcomes

- An economy more capable of environmentally sustainable long term growth with less need to travel, particularly by private car
- An economy better capable of growth and achieving higher productivity levels through increasing investment, innovation and entrepreneurship
- A more prosperous community with lower levels of worklessness and high income for all

This bid is for the worst 20% performing areas in relation to: income; employment; health deprivation; education skills and training; barriers to public services; crime and; quality of living environment. This will target 110,513 residents and our 3-year programme will focus on the areas with the worst level of deprivation.

Our Target Communities



**Our vision**

is to narrow the gap between our disadvantaged communities and other residents, and to tackle the fundamental barriers in our NRAs that prevent, or hinder, residents participating in economic activity. We know our communities have the potential to be enterprising, and we know that they aspire to increase their income levels. LEGI will allow us to build an economy that is vibrant, that provides quality jobs for residents, and offers possibilities and opportunities for self-employment and involvement in an enterprising economy. We want to develop enterprise and entrepreneurial skills, and to change aspirations and expectations. We want our communities to thrive and be positive places to live and work.

**Our ethos**

- to achieve a cultural change, to change people's aspirations and goals, to improve their standard of living, increase household income and support those who are able to work, to do so
- to improve the image of NRAs so they are seen as places to invest; as places to live and work
- to involve our communities so that our LEGI proposals are owned, and delivered, by our communities
- to promote local labour initiatives and to ensure that local business sees the value of local recruitment

- to ensure that local businesses are able to bid for local contracts and that the council, and other large organisations, implement processes to support this.
- for enterprise skills to be embedded in our education system and to be valued by our very young residents, their parents, teachers, and governors.
- to develop our community centres as centres for enterprise support and as places that are valued, and used, by the communities they serve
- to move away from a grant-based mentality to one of investment against a sustainable business plan, and we will look to create new businesses in areas such as affordable childcare that support the LEGI but are based on a sound business model.

### **How we will measure success and by when**

We will measure our success by the:

1. number of new businesses starting;
2. number of businesses surviving for 3 years or more;
3. number of new jobs within the areas;
4. increase in income levels;
5. number of residents involved in community activities;
6. number of young people involved in enterprising activity;
7. number of new community and social enterprises.

But this bid is not just about hard outputs, it is about transforming aspirations and ambitions and, in line with our LAA ambitions we will use the 'Picture of Kirklees' report to contribute to measuring our impacts. We will also use a tool kit developed under our EQUAL programme which measures soft outputs to help us to see how LEGI is transforming not only the economic well-being of our areas but their aspirations, expectations and quality of life.

### **How your proposals are additional and add value to what is already being delivered in the local area and what has been delivered in the past**

The LEGI partnership has reached out to the wider partnership, such as Primary Care Trusts, schools in our communities, and the local prison, to ensure that our programme supplements, and complements existing activities. Our commitment to add value has ensured that our proposed activities are integrated into mainstream provision, and we know that our bid "fills the gaps" and adds to, existing activities.

For the first time, we have been given the opportunity to develop a long-term programme which offers enterprise support starting with our young people and which develops a support network which people can access at any point in their career and at any time in their life. LEGI also gives us an opportunity to address the higher failure rate of our new businesses and to support existing businesses to grow. We are committed to linking our residents to these new economic opportunities and to ensure that the barriers they face to participating in economic activity are removed. This is the first time that so many economic and enterprise partners, and community support agencies, have made such a strong commitment to work together and to deliver a seamless service accessed by, and within, our disadvantaged communities.

We are already exploring how locality working, using common sites to deliver a range of services, can be taken forward.

Kirklees has a reputation for developing innovative and creative approaches to business support, and some of these have been replicated in other areas. Whilst we have built on this expertise, we recognise that we need to continue to innovate, and both the Enterprise Foundation and Green Business Network models are good examples of this.

(b) How do your proposals address the three LEGI outcomes?
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### **i) Increase Total Entrepreneurial Activity by People in Deprived Areas**

The first need in deprived areas is to engage people who are marginalised, who e.g. may have lost interest at school, who are unemployed or who may be dealing with a range of problems such as addictive behaviour. Many agencies and people centrally involved in developing our bid have long and varied experience of successfully reaching out to people who do not engage with existing services and do not make the most of existing opportunities. They have worked with all types of clients, of all ages & backgrounds, to help them to develop their interests, raise their self esteem and develop their skills - all essential prerequisites for many people in deprived areas becoming more entrepreneurial.

By becoming more enterprising through such activities, e.g. becoming more creative through dance or by making music, by taking training, by organising activities or even by starting a business, our target population will benefit from our proposals to rekindle their interest in learning, to realise they can achieve, and to take the first steps necessary to becoming entrepreneurial. Most will not be ready to start a business or even to think that's possible for them – but over time our programme of activities, and especially our proposed activities in schools and with business education and other partnerships, will help change people's attitudes towards enterprise, often without them realising it at first.

Our proposals (cf. Section 4) describe how we plan to do this and include a wide range of innovative support and help to enable everyone in our target areas to join our 'Route to Enterprise' at any stage :

- ✓ The Kirklees Enterprise Foundation
- ✓ addressing the barrier of access to finance by loan & mentoring support from a new loan coordinator, by grants for business starts, including specific grants for social enterprise starts
- ✓ Enterprise Rehearsal for people on Invalidation Benefit
- ✓ New Training Provision for 'Pre-Enterprise'

We shall both engage local communities and help them become more enterprising via our fundamental aim of supporting them to assume local ownership and control of community assets, enabling them to do so when appropriate by specialist training.

Our planned provision will be accessible to all residents and will be tailored to their needs, including the specific needs of our target groups, including minority ethnic communities and women.

### **To support sustainable growth – and reduce failures – by locally-owned business in deprived areas**

We have a base of 2660 diverse businesses in our NR areas. We plan to target them with specific support to help them develop & grow.

We shall particularly address the specific barriers to growth facing small existing & fledgling businesses, e.g. taking on their first employee, lack of finance for development, the VAT registration barrier, inability to access wider market opportunities, by (cf. Section 4) :

- ✓ recruiting advisers (additional to existing provision) who will give low-volume high-intensity support
- ✓ a new agency service 2's Company will provide practical support for sole traders to take on their first employee, providing new employment opportunities and growing businesses
- ✓ further implementing the Council's Corporate Procurement Strategy by sourcing more goods & services from deprived areas (on which the Council previously co-ordinated successful experimental sub-Regional action)
- ✓ use creativity as a tool to unlock potential in existing businesses and indeed all types of organisation in deprived areas
- ✓ establishing a network of support to help social and community enterprises grow in deprived areas, employing a trading model to ensure sustainability
- ✓ implementing the Council's recently signed Small Business Concordat by helping small businesses in deprived areas to tender for contracts
- ✓ maximising the impact of ICT on business processes

We shall reach out to specific groups of businesses by incorporating the lessons of successful activity, e.g.:

- ✓ our former partnership scheme to develop minority ethnic businesses
- ✓ our existing Women's Enterprise Network

We have also begun discussions with businesses to establish pilot local business networks in our deprived areas that will foster stronger links with their local communities, e.g. by increasing local recruitment, working in partnership with agencies keen to provide extra support & skills training to enable more people in deprived areas obtain local jobs. This will involve the West Yorks. Enterprise Agency, the local Colleges and Council, projects such as 'build' & Workforce Now. They will subsequently be rolled out across the District.

### **To attract appropriate inward investment and franchising into deprived areas, making use of local labour resources**

We have a number of Renaissance initiatives in the District, supported by Yorkshire Forward, and other partners, which are proving central to our ambitions to regenerate our communities. Learning from the success of Huddersfield Renaissance and our work in the Colne Valley and North Kirklees, we will develop and run a campaign to promote the area for further investment. We recognise that

inward investment is not just about attracting new businesses to trade within the area, it is about encouraging investment in regenerating our buildings, and developing the infrastructure to support the increase in business activity and we will work with key developers to ensure that we attract investors with a long term commitment to our communities and that we link our residents to the new employment opportunities generated.

We have approximately 137,000 square feet of vacant business space and a 2.5 acre site in our communities and this figure covers just the space advertised in our on-line property bulletin. From the initial work we have done in surveying underused and derelict space, it is clear that we have space for businesses to start and grow but we may not have the right quality space in the right location and there may not be enough to house all the new business growth under this programme, We will address this issue by working with owners to bring space back into serviceable use and by looking at innovative solutions to getting the right start up space in the right location.

The development of Bretton Business Park on the site of the former Bretton Street Gas Works is a prime example of how sites can be developed, in partnership with the private sector. This £22m investment, due for completion in 2007 should house up to 700 jobs and the first phase of the development, an extension to the nearby Bretton Street Enterprise Centre is already proving popular with businesses keen to expand in the area. Bretton Park demonstrates the demand for workspace in the area and our ability to attract investors and to support existing businesses to flourish and we will seek to develop other sites in partnership.

We are looking at using our involvement in the Urbanitas project to learn from colleagues in Berlin who have used sea containers as temporary, flexible, living space – we will assess whether this approach is right for bringing workspace to the heart of our communities .

The success of the Batley Business and Technology Centre has shown us that new sectors can be developed if the right mix of premises and business support is available and we will use the lessons we have learnt to develop and support clusters and hubs of enterprise in key sectors such as creative and digital, social enterprise, knowledge-based and food and drink.

As franchising brings with it a greater degree of security, it also brings higher entry costs which means that it may seem a less attractive option to people already struggling to identify business funding, In conjunction with the British Franchise Association, we will develop a series of activities to promote franchising as a business opportunity and will run a series of information sessions which will support residents to identify suitable franchising opportunities. We will use existing franchise holders to promote the benefits of franchising and we will offer a marriage bureaux service to link residents to franchising opportunities.

### **3. Evidence Base**

Please present your analysis of the evidence base which supports your proposals.
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Although overall Kirklees is the 77<sup>th</sup> most deprived District in England, in the Employment and Income Deprivation domains it is 16<sup>th</sup> and 21<sup>st</sup> respectively (2004 Index of Multiple Deprivation).

The District contains many areas of severe deprivation - the worst levels are in:

- A) *Inner Huddersfield*. The most deprived SOA (Super Output Area) is Brackenhall (in Fartown) - it is also the most deprived part of Kirklees on the income and employment deprived rankings, and is in the top 0.8% most deprived SOA's in the country .
- B) *Batley and C) Dewsbury*. North Kirklees is the most disadvantaged in relation to education, skills & training deprivation. Seventeen of the 20 worst SOAs are in Dewsbury or Batley, especially parts of Chickenley and Fieldhead.

#### LEGI Target Population (2001 Census)

The total population of the 74 Kirklees SOAs that are in the top 20% most deprived in the country is 110,513 (= 28% of the total District population). They are the target of our LEGI proposals - of this total 65,500 people (approx.) are aged 16 – 59.

The Kirklees Neighbourhood Renewal Fund allocation of £9 million for 2006-2008 focuses on the worst performing areas, targeting the 36 SOAs – out of the total of 260 in Kirklees – that are in the 10% most deprived nationally in the 2004 Index. These SOAs are the priority areas for our LEGI proposals, grouped in the following 12 cluster areas :

Almondbury, Batley, Botham Hall & Trees, Chickenley, Crosland Moor, Dewsbury South, Dewsbury West, Fartown, Fieldhead, Newsome, Rawthorpe/Dalton and Windybank.

Self-employment (*all figures Acxiom National Lifestyle Survey, 2005 Acxiom UK Ltd., abbreviated to 'Acxiom 2005'. All rights in the data contained in these figures belong to Acxiom UK Ltd and may not be used or reproduced without the express permission of Acxiom UK Ltd.*)

- Kirklees has a particularly low rate for self employed people in the SOAs among the 20% most deprived. People aged 18 – 24 comprise 2.3% of those self-employed, compared to 5.2% for W. Yorks. *This is the second lowest rate in West or South Yorks. : only Wakefield has a slightly lower equivalent rate. For the 25 – 54 age band the figure is 79.3% self-employed people : in West or South Yorks. only Barnsley has a lower rate.*
- There are differing age profiles between the deprived and 'non-deprived' areas. 79.3% of the self employed in the District's deprived SOAs are aged between 25 and 54 (compared to 73.2% in 'non-deprived areas'). 18.5% are aged 55 or over (compared to 25.8% in the latter areas), whilst the remaining 2.3% are in the 18 to 24 age band (compared to 1% in the latter areas. For both younger and older residents, the proportions of self employed are below those proportions for both age bands in the wider population.

#### Starting new Businesses - an opportunity in deprived areas in Kirklees (*Acxiom 2005*)

- Of those households in the 20% most deprived areas in Kirklees with a personal loan only 7.1% were considering starting a new business – *the lowest rate in*

*West or South Yorks.* The next lowest District in these two sub-regions was Calderdale with a rate 50% higher than Kirklees. People in the 20% most deprived areas in Kirklees thinking of starting a business also had a low rate for savings (41%) which was only significantly lower in Calderdale & Sheffield and slightly lower in Bradford.

- There are proportionately fewer older self employed people in the deprived SOAs, where only 5.3% of those aged 55 or over were thinking about self employment. This was a little below the regional equivalent of 5.6% and well below the 8.2% across the non-deprived areas of Kirklees, which may reflect the difficulty of sustaining self employment in these parts of the District. It could also reflect a lack of awareness of, or interest in, entrepreneurship amongst older age groups.
- Amongst the under 25's in the most deprived areas, there was a more positive attitude. 17.8% were thinking about self employment as an option (above the equivalent regional figure of 17.2%), whilst only 11.3% of young people in the non-deprived areas felt it was an option. This suggests that any targeted initiatives to encourage self employment amongst younger people could be relatively well received in the disadvantaged parts of Kirklees.
- The data suggests that the proportion of adults thinking about starting a business was higher in the most deprived parts of Kirklees than in the more affluent areas : 6.2% against 4.7%. However, looking at the reality, whilst 10.3% of adults across Kirklees were self employed, the figure for the most deprived areas was 7.1% against 11.4% in the rest of the District.
- This is backed up by local data in Dewsbury West [*Economic Well Being Survey - Dewsbury West Neighbourhood Mangt. Pathfinder (DWNMP), report Sept 2005.*] A fifth (19%) of 171 respondents had either tried or considered setting up their own business. A quarter (27%) of those who had never tried to set up their own business or who had faced difficulties stated they might try, or consider trying, to set up their own business.

### Barriers to Starting a Business

The recent report "Enterprise: Business Start-up in Two NDC Areas" (Research Report 65, Policy Research Institute, Leeds Metropolitan University, Nov 2005) cited research underpinning the PAT report "Enterprise and Social Inclusion" (National Strategy for Neighbourhood Renewal: Policy Action Team 3, HM Treasury, November 1999) : 'planners and academics identifies (sic) a range of problems facing those seeking to start-up or grow enterprises in deprived areas.

These include :

- uncertainty surrounding the impact of self-employment on tax and benefits and uncertain income in the early stages of trading
- accessibility and quality of business support
- problems developing and or accessing the necessary financial resources
- absence of an 'enterprise culture'

The above findings are backed up by recent consultation we have done with people in deprived areas across the District. We used LEGL seed fund money to carry out initial consultation with 51 people interested in being more enterprising (both starting a business and developing small existing enterprises) in a selection of our most deprived areas, using two different methods, to find out what they thought were the main barriers to starting up. They said these were :

- Start-up funding. *We propose providing start up grants, including for social enterprises; low interest loans after start up, before people are ready to take up loans on the open market; and grants for self employed people to recruit their first member of staff*
- Childcare. *We propose to establish affordable child care accessible to people wanting to start enterprises in our most deprived areas. We shall work with a variety of agencies, including successful social enterprises providing such services, using a self supporting model that is sustainable*
- Training. *We shall work with agencies that have a track record in providing successful appropriate training for people in excluded groups*
- Access to information, advice, networking. *Our business start support proposals address these issues to provide innovative solutions that work for people from marginalised groups, including specialist advice, working with existing agencies such as Business Link and WYCAS*
- Low cost space & facilities. *We shall provide a range of accessible space in our most deprived areas for people who want to start a business or just to develop an interest & be more enterprising*

Further barriers to developing existing small businesses included :

- Detailed Business support, including Help with Business Plan. *We shall provide tailored support for existing business in deprived areas*

#### Business start and survival rates

The Acxiom 2005 data suggests that of those businesses registering for VAT in 1999, 69.8% in Yorkshire and Humber are still operating three years later (higher than the England average of 68.8%). Within the region, the highest rates of survival are in North Yorkshire and the Humber, and the lowest in West Yorkshire.

The latest data from Business Link West Yorkshire (August 2006) is:

<b>Business Starts</b>		<b>July 2005 - June 2006</b>		
		<b>Ethnic Minority</b>	<b>Female</b>	<b>Total</b>
Kirklees	NRF			
starts		15 (8.2%)	8 (5.1%)	33 (6.6%)
Kirklees starts		33 (8.9%)	51 (6.5%)	134 (6.4%)
W. Yorks. starts		132 (6.4%)	196 (5.4%)	650 (5.9%)

#### **Survival Rates** **April - June 2006**

	<b>Ethnic Minority</b>			<b>Female</b>			<b>Total</b>		
	<b>1 yr;</b>	<b>2 yr;</b>	<b>3 yr</b>	<b>1 yr;</b>	<b>2 yr;</b>	<b>3 yr</b>	<b>1 yr;</b>	<b>2 yr;</b>	<b>3 yr</b>
Kirklees NRF	91%	82%	71%	100%	83%	83%	89%	85%	79%
Kirklees	89%	81%	80%	100%	77%	73%	96%	79%	77%
W. Yorks.	94%	87%	72%	96%	81%	73%	94%	83%	79%

These figures are higher than the Acxiom data, probably due to the latter only taking account of businesses that are VAT registered.

This shows that :

- 1) There is a higher proportion of ethnic minority business starts in the District as a whole (45%) compared to the proportion of the population that is from an ethnic minority background (16.4%).
- 2) Minority ethnic business start-ups have significantly lower survival rates in our NRF areas after 3 years than the overall average (71% compared to 80%).
- 3) Female business starts in our most deprived areas have a higher survival rate than the District average for such starts – 83% after 3 years compared to 73%. *This suggests that it would be beneficial to aim at raising the number of female business start ups in those areas.* This is reinforced by :
  - a) Acxiom 2005 data : Kirklees has the lowest index in West Yorks. of total female entrepreneurial activity (includes thinking about starting a business, already running one or running a business from home) in the District as a whole (93 in 2005 compared to the national average of 100).
  - b) Findings of the Dewsbury West Pathfinder report (Sept 2005, cf. above) which found that there were high numbers of females wishing to start a business. There is also scope to do this as the proportion of female business starts in NRF areas is low, 16% compared to 38% District average.

We shall build on our previous experience of running special start and business development programmes in Kirklees for minority ethnic businesses.

Businesses (Annual Business Inquiry 2004)

Total no. of businesses in Kirklees is 13,269, of which 2,660 (= 20%) are in NR priority areas.

People Employed by Businesses (Acxiom Survey, 2005)

Kirklees has a low proportion (47%) of businesses that employ one person compared other Districts in the Region. This is the lowest figure in West Yorks. and only very slightly lower in two other Districts in the Region :

Potential Business Owners – Social Enterprise (Acxiom Survey, 2005)

Similarly to existing business owners, there is a strong correlation between those thinking about starting a business and involvement in civic participation (which means that at least one adult in the household states that one of their hobbies is at least one of the following: community regeneration activities, improving their local environment or charity/voluntary activities). This is most apparent across South and

West Yorkshire. The rate in West Yorks. for those thinking about starting a business and also interested in civic participation is 17.7% - the highest sub-regional rate in Yorks. & the Humber and also slightly higher than the national rate.

#### Potential & Existing Business Owners Tenure (2003)

Home ownership levels amongst self employed business households are much higher than amongst 'total' households – perhaps the financial stock from the house has been used to secure loans/finance the business. This suggests that a useful provision for people in deprived areas wanting to start a business but don't own their own house would be to provide affordable loan finance. However, figures show that there are also high levels of entrepreneurship amongst non home-owners : but this might be linked to the younger age profile of potential business owners in general, both nationally & regionally. *Hence in deprived areas of Kirklees there are likely to be significant numbers of potential business owners.*

#### Length of Business Ownership & Ethnicity (2005)

The length of business ownership profile of BME households is very different to that of white self-employed households – at both national & regional level. BME self-employed households are more likely to have been set up in the last 3 years (48% compared to 37.5 % for white self-employed households) and less likely to have been established for longer than 3 years (52% compared to 62.5% for white self-employed households). The higher proportion of recently established BME business owners may be an indication of higher success rates in recent years, higher levels of entrepreneurship compared to white households, or perhaps they are serial entrepreneurs. However, higher levels of younger businesses could also indicate difficulty remaining in business. Understanding the cause of this holds the key to quantifying what real potential lies within these communities and if/how it can be realised.

#### Number of Employees & Ethnicity

On average, BME self-employed households are more likely to have 2+ employees (61.4% compared to 49.3% of white self-employed households in this Region). Self employed BME households in Yorks. & the Humber are more likely to have 6+ employees (32.5% compared to the national average for BME households of 25.2%).

#### Unemployed people seeking employment

Further findings of the (DWNMP), report Sept 2005. survey have helped us to target groups of people in deprived areas for support in starting a business, for helping unemployed people look for work and for helping them access further learning or training. [Just under half (47%) of respondents were interested in further learning or training]. Thus the majority (68%) of respondents were female, the majority were aged under 39 (35% aged 16 - 24 and 32% aged 25 - 39) and the majority (58%) were of Asian or Asian-British (Pakistani) origin.

*Again, the findings of this survey have helped to determine the services we intend to provide : travel expenses were given as the most important factor (cited by 58%) in helping respondents look for work. Other important factors were 'security of benefits (54%), free access to the Internet & a computer (53%), support/help in writing a CV (53%), training on interview techniques (50%) and help with childcaring expenses (44%)'.*

### Geographical Targeting of our Proposals

The highest nos. of people from ethnic minorities are in the following SOAs : Thornton Lodge & Lockwood (Crosland Moor), Wellington St. & Batley Carr (Batley) and Hillhouse/Alder Street (Fartown), each with over 1000. Kirklees total is 17,072 (= 32% of the total in the 10% most deprived areas, i.e. double the overall Kirklees average of 16.4%). (2001 Census)

(Jan 2006 Jobcentre Plus 100% scan)

The highest nos. of lone parents are in Deighton/Riddings, Bradley Mills/Leeds Rd/Sheepridge, Hammond St/ Aquamarine Drive (all in Fartown), Walpole (Crosland Moor) and Lowerhouses/Ashenhurst (Newsome). Kirklees total is 1,820.

The highest nos. of Incapacity Benefit/Severe Disablement Allowance Claimants are in Lockwood/Yews Hill Rd. (Crosland Moor), Dews Cent/Crackenedge (Dewsbury West), Hillhouse/Alder Street (Fartown), Botham Hall & Trees, Manorfield Area (Batley), Fieldhead and Pilgrim Farm (Dewsbury West). Kirklees total is 4,585 in our most deprived areas.

The highest nos. of Housing Benefit/Council Tax Claimants are in Deighton/Riddings (Fartown), Hudd Cent East/Brad Mills (Rawthorpe/Dalton), Walpole(Crosland Moor), Hammond St/ Aquamarine Drive (Fartown), Fieldhead, Hillhouse/Alder Street (Fartown), Westtown (Dewsbury West) and Bradley Mills/Leeds Rd/Sheepridge (Fartown), Pilgrim Farm (Dewsbury West), Manorfield area (Batley) and Rawthorpe (Rawthorpe/Dalton). Kirklees total is 6,945.

*We will target appropriately our initiatives aimed at various groups of people, by taking into account the different characteristics of our deprived areas and the different distributions of those groups. Often we shall pilot our proposals, learn the lessons and adapt projects, before rolling out across the District.*

*We intend to implement our proposals in selected areas of our NR areas across Kirklees, cf. chart on page 18. using our detailed understanding of the individual characteristics of each area. We have made a detailed analysis of each of our priority target areas, which will be further developed, including using thorough consultation, before implementing our proposals.*

### **Target Baseline Data**

Total population in our deprived areas is 110,513 - of this total 65,500 people (approx.) are aged 16 – 59.

No of businesses in our most deprived areas (among the 10% most deprived nationally) is 2,660 (= 20% approx. of total in Kirklees)

	10,47	
No of Kirklees VAT registered businesses 2005	5	(20% of W Yorks total)
RES target for Kirklees - extra VAT reg bus by 2015	2619	(25% increase)
Current trends likely to fall short by 58%	1519	(likely to fall short in Kirklees)
Increase needed in Kirklees on current trends by	1100	

2015

Therefore reasonable LEGI target for 10 years = increase in no. of businesses in most deprived 10% areas by 50% above current proportion = 330 new businesses

Working age population in Kirklees 2005		242,147	= 76.4%
RES target extra for K/L by 2015	lower	3874	= 78%
RES target extra for K/L by 2015	upper	8717	= 80%

Therefore reasonable LEGI target for 10 years = increase in no. of people in employment in most deprived 20% areas by 50% above current proportion = 1763 extra people in employment.

	Key issues							
	Crime	Unemployment	Ethnicity	Benefits Claimants	Educational Attainment	Health	Household Income	Local Issues
Almondbury	✓			✓	✓	✓	✓	Reliance on benefits, anti-social behaviour
Batley	✓	✓	✓		✓	✓	✓	Lack of skills and local employment
Bothham Hall and Trees		✓			✓		✓	Lack of appropriate activities for young people
Chickenley			✓	✓	✓		✓	Low level of skills and educational achievement
Crosland Moor	✓	✓			✓		✓	Child poverty
Dewsbury South			✓		✓	✓	✓	Income deprived older people
Dewsbury West	✓	✓	✓	✓	✓	✓	✓	High levels of young people
Fartown / Deighton	✓		✓	✓	✓	✓	✓	Crime, education
Fieldhead	✓	✓		✓	✓	✓	✓	Very low levels of educational attainment
Newsome	✓	✓	✓		✓	✓	✓	Low education attainment
Rawthorpe / Dalton	✓	✓	✓	✓	✓		✓	High levels of crime
Windybank				✓	✓		✓	High levels of young people

#### 4. Proposal Detail

(a) Please give a detailed description of your proposals for funding under the Local Enterprise Growth Initiative.

*We have a Vision.*

*We have a vision that one day all our children will live in a place where their life opportunities will not be limited by where they live.*

*A vision of a vibrant Kirklees with real community pride and alive with opportunity.*

*A creative Kirklees with a wealth of creative and cultural organisations – creative in thought, creative in opportunity, and creative in delivery.*

Our proposal is an **investment** model; where funding is seen as an investment and organisation plan for longevity through a portfolio of funding.

**We know our bid will achieve our ambitions and realise our Vision.**

#### **Our Problems**

- Low Level of Business Starts
- Low rate of growth in existing businesses and in our business base
- Education not valued
- Grant dependency of community and voluntary organisations
- Low level of business engagement in the community

#### **The Barriers**

- Access to Finance
- Difficulty in recruiting first employee
- Skills of potential employees
- Lack of innovation
- Skills of owner/managers
- Poor use of ICT
- Lack of confidence to engage in the existing enterprise support network
- Low aspirations
- Problem of finding suitable business/enterprise workspace
- Problem of affordable childcare
- Cultural barriers to being involved in economic activity
- Lack of access to tender opportunities
- Low skills level of activists
- Low aspirations of parents
- Lack of careers advisers on site
- Lack of Enterprise Enablers in schools
- Lack of knowledge of the value of enterprise education

- Businesses don't value close links to the local community or understand the benefits of doing so
- SMEs have time constraints to getting more involved in their communities
- Individuals and businesses do not access mainstream support

Our planned activity addresses these problems and barriers.

## **Our Route to Enterprise**

We need to address the here and now, the long term, and to achieve a lasting culture change.

We need a route where people can enter and leave at different stages and with different outcomes, to be able to re-engage possibly to achieve a career change, to volunteer as they bring up a family or move from employment to self employment – or a combination. Our route needs to have progression so that individuals become more enterprising as they progress through.

Being enterprising is not just about starting a business; our planned activity involves increased opportunity just for people to get involved, this increases their confidence and creates a 'get up and go' feeling aspiring them to achieve higher.

We have mapped our identified activity to address the stages in our 'Route to Enterprise':

**Vibrant Communities** –lifting the level of opportunity for involvement in enterprising activity in our community, implementing a programme of creative activity with which to become involved.

**Becoming Enterprise ready** – embedding enterprise development in all our opportunities; increasing our enterprise experience in education and the surrounding community network.

**Creating new business** – help those with aspirations to start a business to do so; particularly encouraging and supporting new businesses in the creative and cultural industries; providing specialist support for social enterprises.

**Growing existing businesses** – support businesses in our deprived areas to raise their aspirations and to grow their business.

Underpinning this route to enterprise we have **support** activity to address perceived barriers – e.g. affordable finance through our credit union initiative, resource to ensure business and individuals are aware of the changes brought about by the SME concordat, provide affordable childcare and develop Creative Enterprise Action Zones (CEAZ).

Concerned that a programme planning approach can lead to silos, we also have **flagship ideas** which cut across the route and provide linkages and progression. We will also use these flagships.

**– to enable us to market a tide of change**

Management and co-ordination of our activity will primarily be through a LEGI Programme Manager who will report on progress to the Kirklees Economic Partnership. A LEGI steering group of interested partners will provide operational support to the Programme Manager and will receive reports on progress and plans for the next stage. This will be formally reported as

described in the section on management. The programme manager will manage the work streams and the network of Community Enterprise Enablers (see next paragraph). A Creative Director will manage the creative programme across the 12 NRAs and will be responsible for the community enterprise enablers having creative focus in their remit. The Creative Director will report overall to the Programme Manager.

### **Community Enterprise Enablers**

Our enabler approach is key to the success of our LEGI proposal. These will be the 'movers and shakers' but also provide the 'glue' to all range of activity. They will be based in the community and work alongside existing community workers – helping increase the network of those encouraging enterprise behaviour.

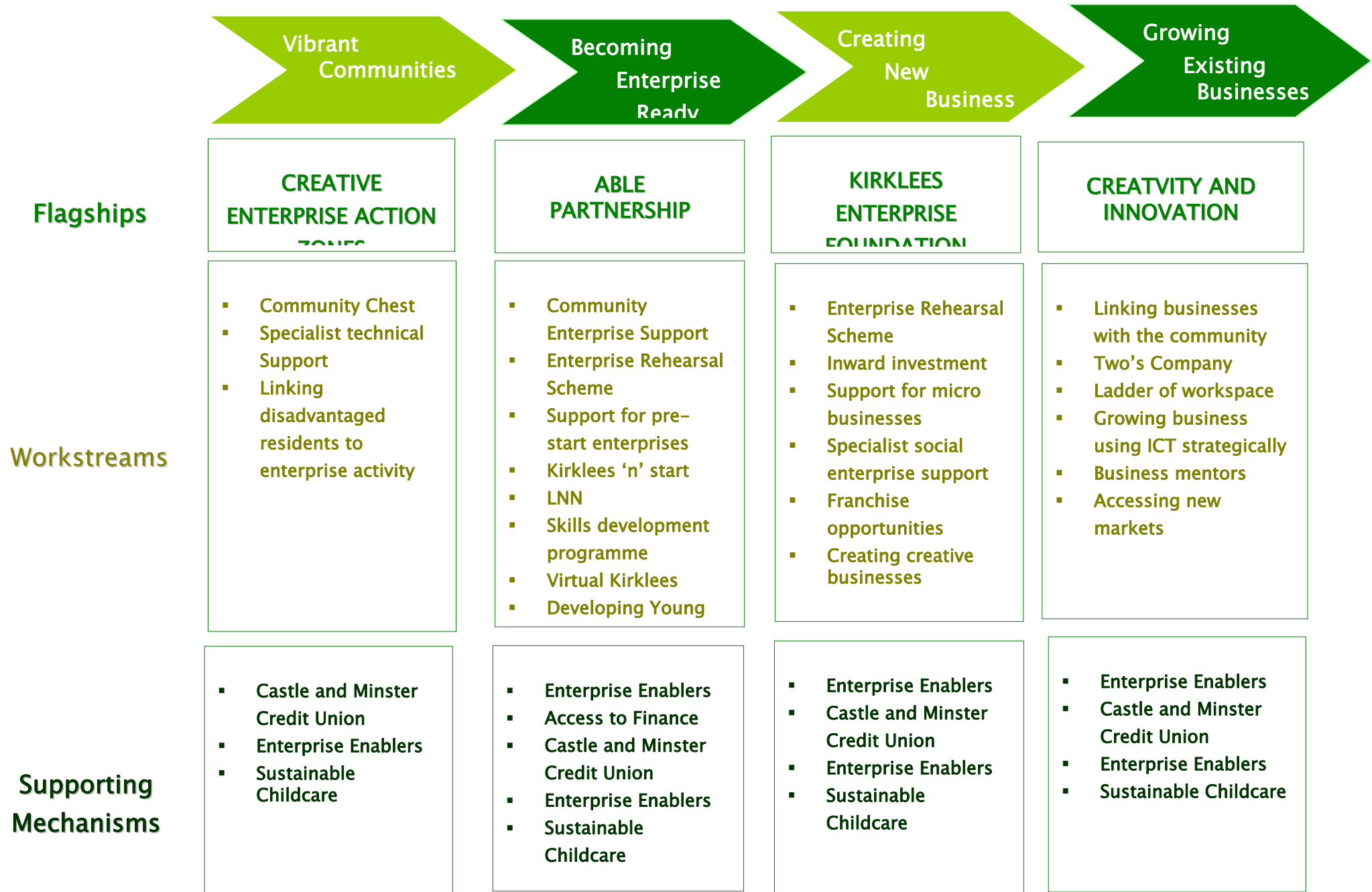
In the first three years of our 10 year plan, we will create a number of enabler posts:

- Community (4 in total) – the key enterprise liaison person within their community centres and the key agent to signpost and engage. Responsible for managing the CEAZ provision.
- Creative (4 in total) – headed across the district by a single Creative Director their role will be to deliver the creative programme for the community in the community but signpost potential micro company development to the relevant support services. They will identify 'hotspots' where on the ground activity could start in the first months of the programme and use this to develop a long lasting programme.
- Education (4 in total) – their role will be to work with the schools linked to their community centres and the Life Long Learning Network. They will support the embedding of enterprise activity and work with the various education providers to develop a ladder of enterprise activity and resources.

We will create a CPD framework for these enablers to ensure they engage and develop enterprise capability in the individuals they work with, and to develop their own skills to enhance their long term economic stability (either through employment or self employment). These individuals will know all the mainstream support available as well as the various opportunities for people to engage with.

We will employ our enablers through a Community Interest Company; ensuring they understand our investment approach and look to achieve long term stability for the company.

# OUR ROUTE TO ENTERPRISE



## Our 'Route to Enterprise' activity

### Vibrant Communities

#### **Flagship Idea:**

#### **Creative Enterprise Action Zones in our Community Centres**

We will develop Creative Enterprise Action Zones in each of our 12 existing community centres. This will be achieved through a refurbishment plan and will develop suitable space to support the range of enterprise activity; from creative opportunities to running a small business.

These will be hubs of enterprise which will include our creative programme (eg music performance, dance, tattoo exhibitions), advice on skills development, business support, hot desks for individuals wishing to start a micro business and small incubator spaces. Each CEAZ will have a Community Enterprise Enabler associated with them to organise provision and pro-actively attract residents to access provision. Support provision will partly be from main stream providers (eg business link as well as council services)– for which in principle agreement has already been negotiated – and partly additional support (eg accountancy advice, tax information, VAT) provided through LEGI. The zones will also provide the venue for some of our new initiatives in connecting people to tender opportunities ( which will increase as a result of scaled up implementation of the SME Concordat) as well as to finance through our credit union initiative.

Refurbishment will be phased; undertaking three in the first year, 7 in the second and 2 in the 3rd. Each CEAZ will need a range of specialist ICT facilities for use by the projects but also by micro or start-up businesses using the workspace. We will use LEGI to ensure each centre has sufficient broadband and the usual ICT facilities available to businesses. The CEAZ will provide access to secure document management and imaging, accounts software, voice over internet telephony, web services and affordable graphics services. We will use LEGI funds to buy in these services from local providers in an open and competitive tendering process but using the SME Concordat to open up opportunities for local businesses.

To support this activity LEGI will provide a Community Chest fund.

We will target small grants at specific pieces of community change to encourage residents in the belief of change, the starting point of enterprise, plus some larger grants for larger projects available to our social enterprise organisations. Small projects will receive a grant of up to £3,000 to hire equipment, pay for printing etc and it may be that some of the projects are built on the hobbies and interests of our residents or that residents come together to develop small environmental projects that improve the local neighbourhood by reclaiming undeveloped gardens or unused green space. Larger grants of up to £20,000 will be available for larger events such as festivals.

Over 20% of Kirklees Incapacity Benefit (IB) claimants live in our NRAs but around 75% have a desire to return to work in some way. IB claimants can have a range of disadvantages from mental illness to disability. We will purchase activity from a range of agencies in the area through a commissioning process to offer a range of projects to engage individuals in opportunities that can be the first step to enterprise. This is our first stage in enterprise and helps to build individuals confidence, raise their aspirations and gives them a self belief and new goal. We have a number of organisations in the district that have experience in this and have led to the development of new social enterprises (for example production of a magazine, use of allotment space to produce home grown vegetables, provision of learning materials, ICT

support, music production). We will build on these initial projects to increase the enterprise activity of our disadvantaged residents while looking to link such activity with some of our community chest projects.

## **Becoming Enterprise Ready**

### **Flagship Idea: The Able Principle**

This project builds on previous work bringing opportunity to a substantial number of residents in deprived areas and getting them enterprise ready to aspire to other things – as well as providing a solid base for the creation of new social enterprise businesses

The proposal is for the development of an innovative fish hatchery which will be housed in an eco-friendly building, and the development of two key sites to house a range of social enterprise activities including fish farming, and training in environmental and construction skills. These sites will be a catalyst for a consortium of franchise businesses.

The project will result in:-

The regeneration of 34 acres of unused land, leased to the scheme on a peppercorn rent by our private sector partners.

- The incorporation, on one site, of composted sewage sludges to provide a nutrient rich growing medium.
- The establishment of tree nurseries to supply on-site needs for woodland planting.
- The establishment of willow coppice plantation for use both as bio-fuels and a range of countryside products.
- The construction of fully accessible nature trails (manufactured from recycled materials) to meander through the woodland.
- The design and construction of educational pods along the length of the nature trails.
- The rearing of niche market fish in an environmentally sustainable water recirculation indoor tank system.
- The implementation of a boiler system using the on-site bio-fuels to provide warm water for the fish tanks, thereby providing all year round optimum growing conditions for fish.
- The provision of the sites as an out of school education and skills resource for use by pupils who are either partially or fully excluded from mainstream education or have severe learning difficulties.
- The provision of the sites as a practical skills centre where offenders undertaking enhanced community punishment can learn new skills that will improve their chances of re-integration back into the local community.

We have two private sector partners, one of which is Yorkshire Water plc and, for the site they own, they will provide a senior manager as an adviser on the management committee, and provide the resource in terms of the heavy plant and equipment for certain aspects of the work. Our second private sector partner is a private landowner who is committed to supporting a facility to improve the life chances of residents in Batley, and he has offered a large site to the Green Business Network to develop a further facility following the ABLE model.

This project will bring in residents from a number of our disadvantaged communities. In addition we will invest in a combination of:

### **Pre-enterprise training**

Mainstream business support offers a wide range of seminars and workshops for those considering starting a business; however clients from our most disadvantaged communities do not access mainstream provision, either because they doubt their current skill levels or because they are worried about the potential of their business idea.

It is our intention to provide a “pre-enterprise” programme of support within the CEAZs providing a bridge for those clients which would eventually take them into mainstream support. The workshops will be demand led and in small groups and will be delivered at times to suit the clients concerned. Childcare will be accommodated as part of the programmes if appropriate and when necessary will be tailored to the cohort needs. Specific target groups such as BME groups, women, young people will be accommodated. Clients will be directed to the programme by the community enterprise enablers.

### **Young Entrepreneurs**

**A programme to work with year 10 & 11 and parents to implement STEPS approach** – a Pacific Institute programme that aims to build self esteem, confidence by identifying potential barriers and removing them through a well founded approach so local residents are open to the potential of being entrepreneurial and starting their own business. STEPS has been successfully run in North Kirklees ( led by Liz Fletcher of the Neighbourhood Enrichment Officer team at the Al Hikmah Centre) with extremely positive outcomes and in Leeds through Leeds Education who have worked in similar areas to Rawthorpe. It is planned that having completed the Pacific Institute course we would signpost the residents onto other agencies and organisations to encourage and develop the entrepreneurial side with us having opened the doors to receiving the ideas offered.

### **Enterprise Rehearsal**

There are around 18,500 IB claimants in Kirklees. Recent surveys show that around 20% of working age residents in the NRAs in Batley, Dewsbury and Huddersfield claim IB compared to a Kirklees average of 13%. A large percentage of these residents are skilled but suffering from moderate levels of ill health. 75% of IB residents want to work.

Self employment can be particularly advantageous for the unemployed or recipients of incapacity benefit, there is the possibility for them to develop a business which is flexible and can be tailored to their particular needs and any barriers experienced due to poor health. We will work with Jobcentre Plus to develop a rehearsal scheme for recipients of incapacity benefit (or other unemployed people not meeting the exact requirements of New Deal) which allows them to investigate this option without affecting benefit. We have commitment from Jobcentre Plus to work with us on achieving an acceptable scheme.

### **Life Long Learning Network Cluster (LNN)**

We know that our residents in deprived communities do not progress through FE and HE and that they often have low level qualifications, so we will provide bursaries for learners, ILM funding for employers to employ learners, and staff to develop new accreditation courses that link with the creative theme. We will use our creativity to engage residents in learning opportunities and will show how learning should be for life not just for school. The cluster will be focused on the needs of our deprived areas and will respond to need to ensure individuals are given the opportunity to progress. As part of the LLN we will have access to the full development across all the colleges and Universities in the sub-region.

Huddersfield University is the lead in a developing Life Long Network which as well as developing a framework for accreditation will be developing clusters around either vocational markets or processes. We will use LEGI funding to support an additional cluster around creativity and associated access and apprentice courses, which as part of the LLN will benefit from the interaction and framework development. This will be developed on our Centre of Excellence for Creative skills which is a virtual centre of partners across the district and will link pro-actively and use as a delivery mechanism our Neighbourhood Learning Networks. Funding will be provided from LEGI to develop this important asset and give long term stability to its activity.

### **Innovation Commercialisation**

A number of ideas for new products and new businesses are 'hatched' every year in our educational system but never see the light of day because those involved are not interested, feel unable to progress to market or it involves manufacture of a product and they do not have access to funds to develop from design to production. LEGI will support the identification of possible products in our NRA schools, colleges and University; and will build a network of companies in the NRA who would be willing to look at taking possible ideas forward. Specialists will review possible products first to ensure productive use of the network company time. Funding will be provided for the development stage from design to manufacture, but ideas will be closely scrutinised by a team of professional industrialists. We have experience in this area but not targeted at our NRA. This activity will support specialist staff attending final year shows and displays, building up the network of NRA companies interested in participating, and then providing technical support to take ideas through to production as well as linking to the necessary expertise in our colleges and University.

It is anticipated that an added value outcome from this will be greater innovation in the companies worked with as they become more embedded into an innovation culture, and more able to tap into research in our educational institutions. The activity will lever funds from Yorkshire Forward and the University via the proof of concept fund and HEIF. Note. This is a long term activity as previous experience has shown it can take 2 years to take a product to market.

### **Kirklees&Start**

The use of work experience to encourage enterprise necessitates effective work placements in school – schemes have been run where support is put in place to ensure that companies articulate what they want from the work experience as well as identifying what the young person wants – these provide dual benefits meaning this does not become a yearly burden. We will use effective experience to raise aspirations to progress to HE and will provide additional bursaries for those in NRAs whose parents have not attended University. The bursary will bring with it a link with an NRA company who will provide paid work experience during the course of study; training will be supported to ensure that enterprise skills are developed through the work experience. HE is a new experience and we will identify final years from NRAs who will be supported financially to mentor our new students, this will increase retention and potential success. Bursaries will be £2000 over the three years and will be awarded in stages depending on passing modules and maintaining the relationship with the sponsoring company. We would look for future sponsorship of this project and know that some national large companies could be interested in sponsoring such a scheme once established thus giving sustainability.

## **Creating new Business**

### **Flagship Idea:**

#### **Kirklees Enterprise Foundation**

Mainstream linkages: Business Link for West Yorkshire, the Learning and Skills Council for West Yorkshire Enterprise Agency and Industry Ltd. Our local partners are fully supportive and will work with us to support start-up companies coming out of the foundation.

### **Business<sup>2</sup> and the Kirklees Enterprise Foundation**

Engaging business is a central theme of our LEGI proposal. Business<sup>2</sup> recognises that the local community of business leaders has the potential to make an enormous contribution to improve the prospects of aspiring businesses in the NRAs. Locally, this network has remained largely untapped, largely due to the reluctance of business leaders to get involved with initiatives that appear to be complex, burdened by rules and 'red tape', and that appear to require a degree of specialist knowledge in order to engage.

Business<sup>2</sup> is the brainchild of the 'Kirklees On Course' group, a network of local business leaders, led by Barry Sheerman, MP for Huddersfield. Business<sup>2</sup> recognises that local businesses can provide straightforward, no-nonsense business advice and valuable practical help to people who are considering starting a new venture. The Foundation will build on the current portfolio of services provided by the business support agencies and provide a platform where established business can work with new businesses for mutual benefit.

The Business<sup>2</sup> Flagship project is the Kirklees Enterprise Foundation, a network of companies and agencies working together where business leaders provide face-to-face advice to would be entrepreneurs. The support provided to each individual will be different, reflecting their individual needs but could include individual business mentoring, the provision of office or production facilities, loan of equipment, prototype manufacture, marketing and sales contacts, training and financial support to help to overcome the costs of establishing a new company.

LEGI Investment has been made to pilot the Foundation, with excellent results. The LSC has already offered support for the Foundation's work in 'Objective 2' areas of West Yorkshire. LEGI support would extend the reach and penetration of the Foundation's operations into the NRAs.

Business<sup>2</sup> also recognises that gaps exist in the current pre-start offers, and that additional activity is required to increase the penetration rates of existing services to the client group located in the NRAs. The proposals contained within Business<sup>2</sup> will build upon the best of existing and previous approaches, increasing the local business stock and improving the growth potential of local businesses by using existing business expertise, knowledge, contacts and resources as a multiplier.

### **Creative and disruptive innovation interventions**

We will use innovative approaches developed by some of our key organisations (CIDA, the University, the Media Centre) to increase the creativity and innovation within our existing businesses thus supporting growth. This may result from diversifying into new markets, finding new efficient ways of working, delivering through new services or multi-channels of delivery. We have piloted a number of workshops, diagnostic approaches and creative approaches to

instigate change (creativity as a skill & disruptive innovative to identify new opportunities). We will develop in collaboration a range of instruments to engage businesses – working to their needs and requirements. We will also link companies where appropriate to main stream programmes such as Knowledge Transfer Programmes. To support this will be a small team of creative specialists who take emerging technologies to businesses in the NRAs, helping them identify areas for business improvement through the use of new technologies and changes in practice; supporting their adoption within the company. Long term support being available through main stream programmes such as KTPs.

We have also addressed some of the very explicit needs expressed by our businesses. We intend to put in place a programme of activity aimed at growing our businesses through:

- 2's company – a scheme to support individuals take on their first employee – this new scheme addresses barriers by awarding a small grant to provide resources for one new employee and to give advice on the various legislative and employment requirements
- Our businesses often hold our most important skills and knowledge to support growth of other businesses. We will create a network of businesses willing to support other businesses and through training ensure they are equipped to do that effectively. The training also provides benefits in developing their own leadership and management skills for their own business
- Our businesses do not engage with their community and yet real business benefits can be gained through this, we will develop a corporate social responsibility agenda in such a way as to bring business benefits. This has the added value of encouraging enterprise activity in the community
- Detailed later as a support mechanism but bringing business growth will be the access to new markets through implementation and promotion of the SME Concordat. Kirklees is one of the councils pro-active in putting this government initiative in place and LEGI will help accelerate our current plans as well as ensure businesses are ready to take up the offering. We see it bringing growth to our existing companies as well as providing for the creation of new ones
- Lack of use of ICT strategically is seen as a barrier to growth and we have case studies where substantial gains have been achieved through more effective use of ICT. Identified as a priority by Yorkshire Forward we will work with their Business team to maximise our experiences in tackling this barrier
- Our businesses have expressed that they value networking with other businesses and sharing good practice. A monthly network event will be offered to businesses in our NRAs to bring to them some of the key items in this proposal and increase cross fertilisation of ideas

### **Supporting Mechanisms**

To support our Enterprise route and associated activity are the following:

#### *Making more money available*

An important element of our bid is ensuring that money is retained in the local economy and our local credit union, Castle and Minster, is a key partner in this activity. This will provide additional funds for loans as well as increasing the purchasing power of individuals making them more likely to volunteer or use locally provided services such as childcare through social enterprise organisations.

We will deliver a loan fund, through Castle and Minster Credit Union which will offer small loans to residents wanting to start in business or to expand their existing business. The loans will be appraised by business experts and we will provide on-going business mentoring support if the loan application is successful. The route into the fund for unemployed residents will be through our pre-enterprise support, and we will have a revolving loan fund of £450,000 for the first 3 years of our programme.

We will work with our credit union to encourage individuals to save and borrow for personal aspects through these, and will ensure they have a presence in our Community Centres, increasing employment possibilities in the area. Funds have been allocated to support the creation of the branch network, to put in place the banking platform and to manage a revolving loan fund.

#### *Building up a ladder of workspace*

The council will commit to work with developers and property owners to bring vacant and underused space back into use and, if necessary, we will use our Urbanitas experience to use sea containers as temporary workspace in the heart of our communities. Hot desks and small incubator units are being provided in our Community Centres. The council will undertake to manage this ladder of workspace as part of its commitment to LEGI activity.

#### *Access to new markets*

The council has recently signed the SME Concordat, which will allow small and medium businesses to compete for council contracts and which will simplify contract terms and processes, break large contracts into smaller pieces, insist that large companies subcontract to local businesses and treat all suppliers openly, fairly and equally. We will build on this commitment to work with other large purchasers to commit to the same principles and we will work with small and micro businesses in our communities to identify opportunities to establish Community Interest Companies to act as “umbrella” companies to allow a consortium of local firms to work together to secure contracts that would normally be outside their reach. The council is committed to this approach and will use a small amount of LEGI funds to ensure companies are aware of the change, to support the creation of appropriate Community Interest Companies and work with larger companies to act in a similar way. A training programme will be created to work with small businesses to get them to meet the appropriate criteria to be eligible to tender. Initial work with other major organisations in the district has brought a promising response. This activity will bring a range of new opportunities which will support both our Creating new Businesses and Growing our Businesses.

#### **The sustainability of our proposals**

The bulk of the initiatives outlined in this proposal will be sustainable. Some will not be needed in the future while others will become part of the mainstream strategy and the future community provision.

Community engagement will be less of a problem as the centres become a channel of that engagement. An active community arts scene will help to engage people at local level in a multitude of ways, from annual pantomimes for all the family to serious plays written and performed by local people, as well developing people’s skills and talent in art and music.

People will feel more ownership for their communities, will no longer want to leave their ‘estate’ as soon as they can afford to and will want to stay and be part of its development. This will lead to less transient communities and multiple generations of families putting down roots there.

The Community Enterprise Centres will thrive as both they and the Enterprise Enablers become rooted in the neighbourhoods. This form of enterprise development will come to form part of the mainstream small business support programme, with the 'suits' moving out of their offices and into the communities.

The CDFI scheme will continue to provide affordable and accessible loan finance to residents as the Credit union makes bigger inroads into the most deprived areas. Borrowing money to go into business will become 'normal' among people who half a generation ago would not have dreamed of doing it.

Enterprise training in our schools will open up a new world of opportunity to our children and more of them will see going into business as a valid and achievable option. Some will access it through things like the Kirklees Enterprise Foundation, funded by local businesses keen to grow their next generation of entrepreneurs, suppliers and managers. A side-effect of this renewed activity in schools will be a raised level of achievement and so parents will not be tempted to move away for better schools.

People who have been written off through incapacity benefit as being 'too ill to work' will find a new lease of working life through the Enterprise Rehearsal Scheme that will be adopted by Job Centre Plus as a key tool for helping people get into new kinds of working if they are unable to go back to their old job.

As Kirklees develops its new entrepreneurial spirit so it will become more attractive to outside businesses, keen to ride the new wave of business confidence in the district and knowing that the valuable service industries and supply chains will be there, along with a new generation of entrepreneurs, to ensure their business success.

### **The deliverability of your proposals**

Our proposals have been developed by practitioners who know what works and what doesn't. Kirklees has a reputation for being innovative and creative and we have used these skills to develop a programme that, whilst ambitious, is realistic and relevant. We are clear what we will deliver from our start date of the 2<sup>nd</sup> January 2007, and we know what we will do in the first 15 months of our programme.

We have ensured that people in deprived areas will be able to access all aspects of our programme by adopting the fundamental principle of reaching out to people in their communities. We shall carry out further wide reaching consultation to involve people, to ascertain their views on delivery arrangements and proposed services and generate further publicity. Every household in Kirklees has already received a copy of Community News with an article about our plan to increase enterprise in deprived areas.

The various elements will be coordinated by :

- Enterprise enablers working in the community, based in Community Centres and doing outreach work
- Community Centres acting as a focus for all enterprise activity in our target areas : including publicity on activities, events, enterprise services, etc.
- A web site 'Kirklees Enterprise' will be created to include information on all enterprise activity in the District, with brief descriptions of agencies and contact details

- Regular meetings at neighbourhood level involving key people such as all Enterprise Enablers, Community Work staff, Neighbourhood Renewal staff, representatives from local groups and from delivery agencies
- Partnership working between all agencies involved in delivering enterprise services
- Using existing partnership arrangements, e.g. the Kirklees Economic Partnership that has run successfully for several years, Neighbourhood Management teams, Community Centre Steering groups and other organisations such as Tenants' and Residents' Associations

We shall ensure that everyone in our deprived areas will have permanent access to enterprise opportunities by involving local communities in future ownership of community centres.

(b) Please explain how your proposals ensures that people living in deprived areas will benefit.

Our bid has been developed in conjunction with our disadvantaged communities, and our proposals reflect the needs of those areas, the gaps we have identified in existing provision, and the aims and aspirations of our Local Area Agreement. The partnership is committed to working more closely to deliver services locally and we will develop an integrated approach to supporting these communities.

We know that some communities face additional barriers to accessing economic opportunity and we are working with these communities to address this. Our Enterprise Enablers will be key to our success and will link local residents to our route into enterprise. We know that the best way to engage with hard to reach groups is for the message to come from someone within the community who is trusted and respected and who offers an entry point into business support services. We know that we will be able to reach our residents through community centres, through community and voluntary activists and activities, through our young people, through health centres and by having a presence where they shop. The growth of the credit union will also give us an opportunity to promote our route into enterprise to residents. We know that we need to be creative in our approach and we will use sport, arts and music to engage with our residents. We have used these approaches before and we know that they work. We recognise that some groups face cultural barriers to engaging in enterprise and, for example, we will use our experience of working with Asian women to tailor our support to their specific needs.

Our delivery model shows that this programme supports, and supplements, existing provision and we will link into this provision along our route. We anticipate that organisations delivering our programme will be active in the existing network, so the link between LEGI activities and mainstream provision will be embedded in our activities.

This partnership is determined to improve how we deliver services in our disadvantaged communities and, through our Locality Working initiative, partners from the Local Strategic Partnership are already considering sharing offices to deliver local services to local communities. We intend to map all services delivered to, and from, our communities and to ensure that everyone active in the communities is aware of the support available and is able to sign post to the right services. An example of our commitment to locality working is the

intention that BLWY is already committed to using the Council's Business and Community Enterprise Centres to deliver Business Link services in local areas and we will expand upon this to embrace other community buildings and facilities to develop a comprehensive network with multiple entry points.

(c) Please outline how your proposals are fully integrated with other relevant local and regional strategies.

Our bid has not been prepared in isolation. We understand the importance of our ideas and actions reflecting, and complementing, the aspirations of relevant strategies.

Our bid strengthens the aims and ambitions within our Local Area Agreement. In developing our LAA, we commissioned work to develop a 'Picture of Kirklees' report to help us to understand the key dynamics and changing circumstances locally. This highlighted key economic challenges for the district., including:

- major variations in the circumstances and opportunities open to different communities within the district ;
- A disproportionate reliance on manufacturing jobs compared to the economy as a whole, and significant growth in residents commuting to work in the surrounding sub-regional centres;
- Some areas experience disproportionate high levels of crime and overall fear of crime remains high;
- Significant changes are happening in the population – overall, it is increasing and the population is growing older; the young population is increasingly from non-white groups;
- There is a difference of almost 7 years between the ward with the highest and the ward with the lowest life expectancy at birth;
- Educational attainment is not increasing as much as we would like

The 'Picture of Kirklees' will become an annual report to inform our strategic planning, show how the picture is changing over time, help assess the impact of interventions and ensure effective use of resources, and we will use this process to inform our evaluation of our LEGI programme.

Our bid supports the following ambitions within our LAA

- To reduce poverty and inequalities between groups in Kirklees. To close the gaps in educational attainment, work, income, health, and experience of crime;
- Sustainable economic growth to provide opportunities and wealth for all residents and deliver benefits to the environment;
- People have pride in their local communities and localities

Our proposal also reflects the aims and ambitions of the Regional Economic Strategy and, our ambition to grow the business base; to increase economic opportunities and vibrancy within our communities and; to link residents to local economic opportunities reflects Objective 1, Objective 2, Objective 3, Objective 4, and Objective 6 of this strategy.

Our LEGI bid supports the Kirklees District Enterprise Plan and reflects its aims and ambitions to grow the business base, improve business competitiveness, link residents to local job

opportunities and develop a better skilled community with the aspirations and skills to increase their income levels.

We recognise that Kirklees is at a strategic point in the Transpennine corridor, at the hub of the Northern Way, and close to three core cities. Our activities reflect the aspirations within the Leeds City Region strategy and we will develop closer links with Manchester and Sheffield to ensure that our residents benefit from the aspirations and activities from these two core cities.

Our programme will also develop links to the emerging “Developing Prosperous Places” agenda under the proposed Y&H ERDF Operational Programme for 2007-2013. The partnership will pursue opportunities to maximise impact in the targeted wards through joint funding of activities under both LEGI and ERDF.

(d) Describe your partnership arrangements in relation to the development, governance and implementation of the proposals.

Our programme will sit within the Economy and Enterprise block of our Local Area Agreement and the Local Public Service Board will assume overall responsibility for ensuring delivery of the programme. The LPSB has representatives from the Council, the Mid Yorkshire Chamber of Commerce and Industry Ltd, two representatives from the voluntary and community enterprise sector, Huddersfield University, the Textile Centre for Excellence, the Learning and Skills Council for West Yorkshire, METRO, Yorkshire Forward, the Environment Partnership, Job Centre Plus and the Environment Agency.

The bid has been prepared on behalf of the Kirklees Economic Partnership which brings together partners from the Council, Business Link for West Yorkshire, The Mid Yorkshire Chamber of Commerce and Industry Ltd, the West Yorkshire Enterprise Agency, the Learning and Skills Council for West Yorkshire, Huddersfield University, Yorkshire Forward, the Textile Centre for Excellence, Huddersfield Technical College, and Dewsbury College, Job Centre Plus.

The Kirklees Economic Partnership, which supports, and reports, to the LPSB, will receive reports from the LEGI Programme Board and will provide more direct guidance to the delivery of the programme. The LEGI Programme Board will manage the delivery of the programme and will be responsible for preparing the Delivery Plan, commissioning delivery of outcomes/outputs and financial management, and monitoring. This representatives on this Programme Board will reflect the partnership involved in developing this bid and there will be strong business and community representation at this level. It is our intention that the LEGI Programme Board will become a Community Interest Company during the lifetime of our programme, but we recognise that this will take some time to achieve. We will appoint a Programme Manager who will manage a team of 3.75FTE, and this team will report to the LEGI Programme Board and have responsibility for financial management, monitoring and evaluation.

cf. chart on page 43

(e) Please outline how you would ensure your proposals will develop a more comprehensive knowledge base that will enable current and future enterprise growth projects and policies to take full advantage of lessons learned, and to replicate what works.

At the start of the programme, it will be programme- managed by staff within the Economic Development Service at Kirklees Council, and the Service has a long and established track record of successfully managing externally funded programmes and partnership initiatives for both Kirklees Council and local partners. The range of funding programmes comprises European programmes as well as contracts from Job Centre Plus, the West Yorkshire Learning and Skills Council Yorkshire Forward – the region’s Regional Development Agency. Current programmes include over £12 million of capital and revenue projects through the European Regional Development Fund (Objective 2 programme) and the European Social Fund including two EQUAL community initiatives and Job Centre Plus Co-financing contracts collectively worth over £6 million in grant. In addition we manage over £4 million of domestic regeneration funding programmes funded by Yorkshire Forward - a programme to support connectivity and access to jobs, a skills development programme and the first phase of the Huddersfield Capital Renaissance programme.

In order to manage and implement the programmes effectively the Service has developed robust programme management systems. The range of activities and procedures include managing local project commissioning and appraisal processes, budget monitoring systems and reporting mechanisms, managing performance in terms of grant spent and outputs achieved, processing and checking quarterly and monthly grant claims and advising on verification and audit requirements. In conjunction with our Strategic Finance and the Audit Commission the Service supports sponsors in the preparation of external grant audits.

### **Evaluation**

On top of this we are developing an evaluation and learning strategy that builds on current structures and practices to involve the community at all levels. This will assess the impact of the LEGI on target communities and ensure that learning from its implementation is embedded in future practice.

Learning demands that we also evaluate, the effectiveness of partnerships, the strength of community engagement and the best use of community resources.

### **Community involvement**

The community will be involved in:

**Appraisal of applications for funding.** This will build on the current People’s Purse appraisal system where community panels are recruited and trained to appraise funding application for the Neighbourhood Renewal People’s Purse (grants pot). Throughout NR areas there is now a pool of trained community representatives.

**Surveys and feasibility studies.** In a number of NR areas community members have been recruited and trained to carry out detailed community surveys. This is part of the practice of the Neighbourhood Management Pathfinder and the Dewsbury Moor SureStart. Again an existing pool of experienced people can be built on to survey communities as part ongoing evaluation or feasibility work. This community research has been linked to the Neighbourhood Learning Networks in NR areas. The networks provide first steps education and training within the community and can quality assure the training and research activity.

Community ownership runs like a thread through this activity enabling people to get involved at many levels other than direct entrepreneurial activity. The newsletters for each community will celebrate local activity, encourage people to get involved and invite feedback about LEGI

activity. In the way the Pathfinder newsletter invites people to 'Raise an Issue' and comment on local services we will design systems to enable local people to comment on LEGI delivery.

### Learning and dissemination

Much of the data collected by the community will need processing and testing against other sources of information. An evaluation steering group, consisting of members of the community, business people, the university will meet regularly to assess data from different sources, identify gaps in our knowledge and themes that require follow up, and commission further evaluative activity.

Learning will be embedded through the continual review of systems involving the community and linking of this activity to service practice. A website will be developed to share the knowledge and enable a forum for the discussion of ideas. Newsletters will be circulated in every home in the area and good practice and start up manuals will be prepared to assist new enterprises. Each of these functions can in themselves be developed as entrepreneurial activity ensuring that the support structures model the activity we are seeking to promote.

(f) Please provide a description of:

1. What would qualify as success for your local proposals.
2. How success would be measured.
3. How often success would be measured.

We will be successful if, at the end of 10 years, we have transformed our communities and made significant and sustainable life changes to our residents. We anticipate that we will have narrowed, or bridged, the gap between our deprived communities and the rest of the district and we believe that our outcomes will make these communities more attractive places to live, work, and invest.

We will measure our success by the number of new business in our communities; by the number of franchises established; by the number of social and community enterprises established; by the number of businesses mentored; the loans awarded, the community events supported; the residents involved in these events; the community centres developed; lifestyle businesses brought into mainstream activity; jobs supported; young people involved in enterprise activity and; new markets accessed.

We will measure our progress after 15 months, 3 years, 7 years, and 10 years.

(g) Please set out how your proposals would make a sustainable difference after funding from LEGI has come to an end.

Our 3-year programme will result in a significant change in our communities and this will be a sound base on which to deliver the following 7 years of our programme. At the end of the first phase of our LEGI activities, there will be a new vibrancy within our communities, and the lessons learnt from our activities will have been communicated to, and acted upon, by mainstream business support provision. Our schools, colleges and university will have stronger links to, and support of, the enterprise agenda, and our residents will place an increasing value on education. Our strong community focus and our creative ways of engaging communities and using creativity in delivering business solutions, will result in many of our activities being

mainstreamed and the greater strength of our business community, and their commitment to local recruitment and purchasing will add impetus and vitality to the communities.

Our physical regeneration activities will have linked local residents and businesses to economic opportunity and our focus on local purchasing and procurement will have supported small businesses to come together, under Community Interest Companies, to bid for, and secure new contracts and markets.

There will be a stronger social enterprise sector and the sector will have moved away from grant dependency to a more sustainable business model. The ABLE Partnership will have developed 2 previously derelict sites and these will be hubs of social enterprise and training activities.

The Kirklees Enterprise Foundation will be a sound, and sustainable, model and will be self-financing, with traditional financial institutions willing to offer the funding previously available as grant support.

The revolving loan fund, managed by Castle and Minster Credit Union will still be seen as a way for residents to start or expand their businesses and the use of the credit union in place of door step lenders will result in significant monies being retained within our communities.

(h) Please set out how your proposals represent value for money.
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At the end of our programme, we will have involved 90%^ of our residents in activities which may lead to them using enterprise as a tool to improve their life chances. We will have embedded enterprise into education and strengthened the link between our residents and HE and FE provision. The 330 new businesses which will have started as a result of our activities will bring a new optimism and the opportunity for social and community enterprise activity will support our enterprise activities being firmly rooted within their communities. Our business mentoring will continue beyond our LEGI programme, as will the Enterprise Foundation, and this business growth will result in new employment and training opportunities for residents.

The support we will offer under this programme is intensive as we are focusing on hard-to-reach communities where residents and businesses face higher barriers to taking advantage of the enterprise economy. However, the significant support we have from the business community and our strong base within our community and education systems mean that the outputs we will achieve will show value for money when compared with intensive business support solutions delivered by other organisation, within other communities. The value of our proposal is its' sustainability – we are not offering short term solutions with short term impacts.

(i) Please provide details of annual indicators and outcomes expected to be delivered using LEGI funding. It should be made clear to which of the three LEGI outcomes the indicators and outcomes relate. Collaborative bids also need to indicate within which authority these would be delivered.

	Indicator (Sets out which indicators are to be used)	Year 1 (January 2007 – March 2008)	Year 2 (FY 2008 – 2009)	Year 3 (FY 2009 – 2010)	Forecast Outcomes and Indicators (Please indicate below the Financial Year in which these are expected to be achieved) .
Increase total entrepreneurial activity among the population in deprived areas *	Nos. of businesses (indicators VAT registrations; self employment rate; ) NRA baseline still to be set	Baseline 9,300 (Kirklees)	9,500	9,700	
		Baseline 6160 (deprived areas)	6290	6420	500 new businesses by 2010/11 50 social & community enterprises started by 2010/11 Residents into business 120 Residents into training 240 Community Centres developed 12 30 lifestyle businesses into mainstream
	Jobs (ONS Annual Business Inquiry)	Baseline 163,400 (Kirklees)	169,500	168,400	
		107,800 (deprived areas)	111,800	111,000	Jobs created 575 by 2011/12
Support the sustainable growth, and reduce the unnecessary failure, of locally owned businesses in deprived areas *	Jobs (ONS Annual Business Inquiry; Business Link stats.)	Baseline 163,400 (Kirklees)	169,500	168,400	
		107,800 (deprived areas)	111,800	111,000	Jobs created 150 by 2011/12
	Project stats.				
					200 businesses mentored
Attract appropriate inward investment and franchising into deprived areas, making use of local labour resources *	Nos. of businesses (indicators VAT registrations; self employment rate; ) NRA baseline still to be set	As above	As above	As above	
					50 new franchises by 2011/12

\* Rows are split to show outcomes with and without LEGI

## 5. Finance section

(a) Please provide headline costings (LEGI resources) for the first three years of your programme. Collaborative bids should also indicate a breakdown by authority. *For further information on funding payment options for collaborative bids, see the guidance document.*

		Revenue	Capital	Total
Year 1	Jan – Mar 2007	.4175m	.015m	.4325m
	Apr 2007 – Mar 2008	3.45150m	.5m	3.9515m
Year 2		5.533m	.19m	5.523m
Year 3		4.108m	.09m	4.198m

(b) Projected outline costs for the remainder of your proposed programme.

Year (where applicable)	Revenue	Capital	Total
Year 4	3.75m	.25m	4m
Year 5	4m		4m
Year 6	3.75m		3.75m
Year 7	3.75m		3.75m
Year 8	3.25m		3.25m
Year 9	2.75m		2.75m
Year 10	2.5m		2.5m

(c) How do these costs break down against the workstreams. Include details of any management or administrative costs.

Figures below are 000 unless indicated otherwise

Workstream	Jan-Mar 2007		2007/08		2008/09		2009/10	
	LEGI	Other	LEGI	Other	LEGI	Other	LEGI	Other
Vibrant Communities	50		852		1.1573m		1.115m	
Becoming Enterprise Ready	3		323		484		420.5	
Creating new businesses			443.5	104	8322.5	104	558.25	104
Growing existing businesses	185		595.76	108	1.11209	108	749.15	108
Support activities	20		484.2		516.2		440.6	
Education and skills activities	80		530		595		465	
ABLE Partnership activities	37		518	80	178	80	178	80
Infrastructure for delivery and management	42.5		212.5		257		257	

(d) Please detail leverage from other sources of funding that will be applied the LEGI proposals.

Kirklees Enterprise Foundation

Investment by private sector patrons £50,000 p.a. for 3 years = £150,000  
 Mentoring 1.5 days @ £500 per day, 50 businesses p.a. for 10 years = £112,500

North Kirklees Strategic Development Framework

Kirklees Economic Devt. Service = £ 50,000  
 Yorkshire Forward = £100,000

Inward Investment

Promotion by the Council & private sector partners – first 3 years = £ 50,000

ABLE Project (Green Business Network)

Landfill tax leveraged by community resources = £200,000  
 Value of land leased by private sector = £ 40,000

Procurement

Procurement events for SME's in deprived areas  
 6 events @ £3500 per event per annum for 3 years = £ 63,000

Kirklees Neighbourhood Housing

NR areas programme £50,000 p.a. for 3 years = £150,000  
 Total = £915,500

(e) Please provide a basic sensitivity analysis for your proposals illustrating what could be delivered with reduced levels of funding.

Our bid has the following costs attached

	£(m)
Vibrant Communities	3.59m
Becoming enterprise ready	1.23
Creating new businesses	1.834
Growing existing businesses	2.642
Cross theme activities	
Credit Union development and loan fund	1.251
Childcare support	.21
Education activities	1.67
The Able Partnership	.911
Delivery and management costs	.769

Our workstreams support each other, and a reduction in any of these activities would impact on our overall outputs.

A reduction of £1m in the **vibrant communities** workstream would result in fewer communities events and fewer creative interventions. This would mean that 700 fewer residents would be brought into our programme, and we would reduce the number of Enterprise Enablers by 2. We would have a reduction in the number of residents trained (reduced by 40 to 200). An increase of £1m in this activity would allow us to recruit 5 additional Enterprise Enablers and run 50 more community/creative events. This would allow 3000 residents to become engaged in our programme.

A reduction of £1m in the **becoming enterprise ready** workstream would result mean a 50% reduction in the number of residents accessing pre-enterprise support (down to 600), a reduction in the number of childcare weeks being supported and a reduction in the number of young people involved in enterprise activities (down to 2000 from 3000). An increase of £1m in this workstream would allow us to train an additional 100 residents and to increase pre-enterprise support to 1000 interventions.

**A reduction of £1m in creating new businesses** would reduce our business starts by 30%. An increase of £1m would allow us to create an additional 160 businesses

A reduction of £1m in **growing our businesses** would reduce the number of ICT events to 3, the businesses mentored to 100 and the jobs supported to 100.

We cannot run the programme with reduced delivery and management costs.

## 6. Risk management

(a) Please describe the risk assessment process you have undertaken in developing the proposals? What will be the ongoing approach to managing risks during implementation?

Our vision is ambitious but we are realistic in our expectations. We have developed our proposals from within our communities and they reflect our realism. We know that it will take 10 years to transform our communities, and we know that it will take some time for us to start seeing the fruits of our vision. We have adopted the Council's Risk Management Process as part of our bid development process and have tested each activity under our four themes to ensure that it is relevant, cost effective and sustainable. In line with existing Council requirements, every activity will be required to prepare a business case which includes a Risk Analysis and this will be considered by the Programme Board when appraising proposals.

(b) What would be the top 5 key risks to the delivery of these proposals?

Risk	Probability	Impact	Mitigating Action
Changing economic trends	Medium	High	We will undertake quarterly monitoring and evaluation, and will review our progress after 15months, 3 years, 7 years, and at the end of our 10-year programme

Community Engagement techniques ineffective	Low	High	Our community engagement activities will be reviewed quarterly and we will use the LEGI programme board and the Community Interest Company to evaluate the success of our community engagement activities and to amend delivery if required.
Failure of contractors to deliver to contract specifications	Medium	High	We will monitor on a quarterly basis and contract specifications will require deliverers to comply with our management, and financial requirements
Difficulties in linking LEGI activities to mainstream provision	Medium	High	We will use our already strong links with the Enterprise Partnership to identify any changes in provision as a result of the de-proliferation process and we will amend our offer to reflect any new gaps identified
Delays in our implementing the programme	Low	High	Clear delivery plan for the first 15months of the programme and effective monitoring of the milestones/outputs/costings of these activities

## 7. State Aid

Please provide details of your assessment of the state aid implications of your proposals, and how you will ensure local proposals are fully compliant with EU state aid rules and procedures:

Any projects within the programme which provide direct support to trading enterprises will be delivered under the De Minimis State aids exemption. This will be evidenced through appropriate statements from the enterprises involved. Beneficiary SMEs will also received a statement of the value of the support they have received to enable them to monitor the support they received which counts towards the De Minimis threshold. Beneficiary SMEs will also receive a statement of the value of the support they have received to enable them to monitor the support they receive which counts towards the De Minimis threshold.

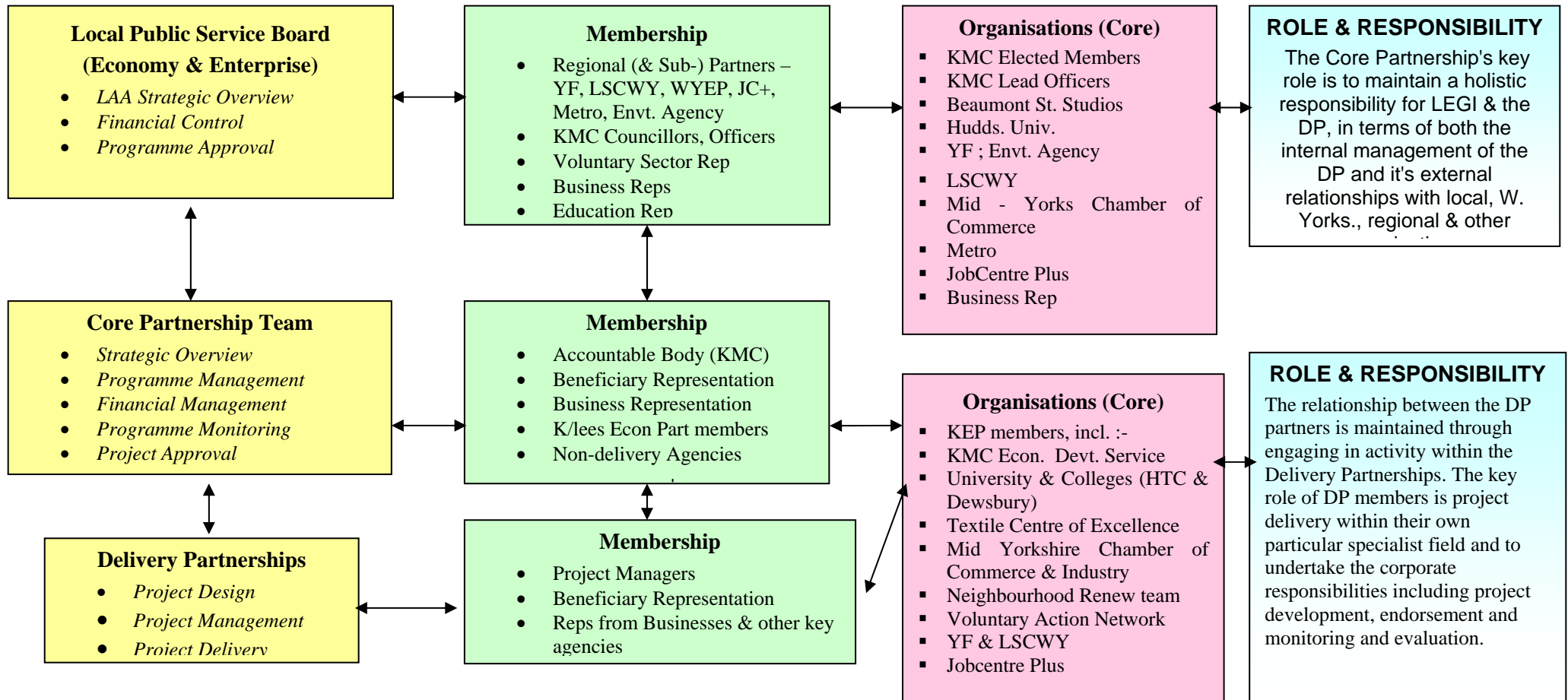
## 8. Governance arrangements

(a) Who would be the named senior responsible owner (SRO) responsible for the delivery of these proposals?

John Griffiths – Head of Economic Development Services

(b) Please describe the governance arrangements for implementation.

The following chart explains our governance arrangements



(c) What internal resources will be assigned to the programme?

In the first instance, the LEGI programme will be managed by the Economic Development Services within the Council and we anticipate that 3.75FTEs will be required to programme manage this programme. We have also budgeted for a Programme Director post which will have overall responsibility for the management of the programme. The council will contribute resources to develop our inward investment activities and the work we are committed to on the Leeds Road Strategic Economic Zone and the North Kirklees Development Framework will support our bid.