

## SUNDERLAND WEST AREA COMMITTEE

14<sup>th</sup> MARCH 2012

### REPORT OF THE CHIEF EXECUTIVE

#### COMMUNITY ACTION IN SUNDERLAND WEST – PROGRESS REVIEW Work Plan 2011/12: Job Prospects

##### 1. Why has it come to Committee?

- 1.1 The report provides an update of outstanding issues from the 20010/11 work plan and progress against agreed actions in the current year's (2011/12) work plan; **Annex 1**.

##### 2. Work Plan 2011/12: Job Prospects

- 2.1 At its last meeting, the committee agreed to convene the Member only 'Task and Finish' group, which met on 29<sup>th</sup> February, to consider:
- Progress on city wide proposals to investigate apprenticeships and possible action by the Council;
  - The potential of developing an 'Enterprising Coaching' project, utilising unspent European Regional Development Fund (ERDF), within the West area, to promote and support self employment.
- 2.2 This report sets out a number of options arising from the meeting of The Task and Finish group.

##### 3. Apprenticeships

- 3.1 A city wide working group was established, in December 2011, to provide a consistent approach to apprenticeships.
- 3.2 In the light of any proposals to develop a city wide scheme, the Task and Finish group was keen to see some progress in the West in implementing this priority.
- 3.3 It was noted that a number of Area Committees had agreed projects aimed at progressing youth employment, including 'Road shows'.
- 3.4 The Task and Finish group agreed to pursue the option of there being a West 'Apprenticeship Road Show', to engage with employers and explain the existing apprenticeship offer and the benefits of employing apprentices. To this end a report to the next Area Committee will outline options for a Road Show.
- 3.5 Should the committee agree to the principle of organising a Road Show, it is proposed to bring a report to the April committee on delivering this.

- 3.6 A further report with an update and options on developing apprenticeship proposals will be considered at the first committee meeting of the new municipal year.

#### **4. Enterprise Coaching**

- 4.1 The 'Enterprise Coaching in Sunderland' Project commenced in April 2009 and has successfully assisted 538 Sunderland residents into self employment, according to the latest project statistics drawn from the Hanlon Database for the period. 113 of these have been in the West area, which as an overall percentage is 21%. Using Banksourc Data (this data uses new business bank accounts set up as a source) for the same period there were 566 new business accounts set up across the West Committee area from a total of 3330 for the whole of Sunderland this is 16.9% of the total. Barnes has the highest ward statistics at 155 of the total.
- 4.2 The project provides intensive, bespoke one to one business support and advice to budding entrepreneurs and has penetrated deep into hard to reach communities with excellent results. There has been a whole range of businesses set up from window cleaners to silver polishers demonstrating the variety of the skill set that exists within Sunderland across communities. However, since the project ceased operating, there has been a drop in the number of new business start ups: 7% less in 2011 and 12% less in January 2012, compared to corresponding periods.
- 4.3 The project was originally funded from Working Neighbourhoods Fund (WNF) and ERDF. WNF provided the 50% match funding required to 'draw down' the European funds and since its ending, the project has been unable to find the whole amount to match the maximum approved level of ERDF. Consequently, there is £170,000 of approved funding which if fully matched would allow a delivery amount of £340,000. If further funding isn't secured, the £170,000 will be returned to the Government.
- 4.4 In practical terms £340,000 would allow support to be provided to a further 211 budding entrepreneurs – of the 211, 169 or 80% would be enterprise ready (capable of starting up in business) Each £50,000 of support would support 31 people of which 25 would be enterprise ready (capable of starting up in business). This seems a lot but is a very competitive amount when compared to levels of resources required for job creation.
- 4.5 Committee may wish to consider whether the West area could benefit from such a project. However, the terms of the European Funding for the original project would not allow it to have delivery focused just on one area of the City, but there would still be added benefits to be achieved for the West. This is because any area funding

secured would be used 100% for the benefit of that area, this would allow a draw down of funds to be utilised across the City and the area in question would get a proportion of this spend as well. This is better explained as an example.

- 4.6 If the project receives area funds of £50,000, this would allow draw down of a further £50,000 of ERDF, giving a project total of £100,000. However, as previously mentioned, ERDF is not allowed to be spent on an area in this way and would have to be used across the city. This means the West would get an additional £10,000 of provision for every £50,000 it committed to Enterprise Coaching.
- 4.7 The outputs the area would receive for £50,000 of West Committee support would be: 31 people receiving assistance, as well as a percentage of the additional £50,000 to support a further 31 people across the city. Based on the historical project figures of 21% of beneficiaries from the West receiving support (a further 6 people) making a total of 37 from the West would benefit. Providing 50% of the funding would provide the West with 60% of the project's beneficiaries.

The table below illustrates the outputs using different amounts of funding.

<b>Match Funding Amount</b>	<b>ERDF Amount</b>	<b>Total project amount</b>	<b>Outputs for area</b>	<b>Additional Outputs</b>	<b>Total Area Outputs</b>	<b>Total LA outputs</b>
£50k	£50k	£100k	31	6	37	62
£100k	£100k	£200k	62	12	74	124
£150k	£150k	£300k	93	18	111	186
£170k	£170	£340k	105	21	126	211

- 4.8 The costs per beneficiary, should the Area Committee agree funding is just over £1,600. The cost per West beneficiary would be £1,350.

## **5. Recommendations**

Committee is requested to:

- i) Note the contents of the report;
- ii) Agree to receive a report at the next meeting on the options for an Apprenticeships Road Show;
- iii) Consider whether it wishes to pursue an Enterprise Coaching option in the West.

Contact Officer: Richard Parry, Sunderland West Area Officer  
 Tel: 0191 561 1217  
 Email: [richard.parry@sunderland.gov.uk](mailto:richard.parry@sunderland.gov.uk)

Berni Whitaker, Enterprise Manager  
 Tel: 305 1205  
 Email: [berni.whitaker@sunderland.gov.uk](mailto:berni.whitaker@sunderland.gov.uk)