

# A Legacy Handbook for Enterprise

**A report prepared by *emda***

September 2011

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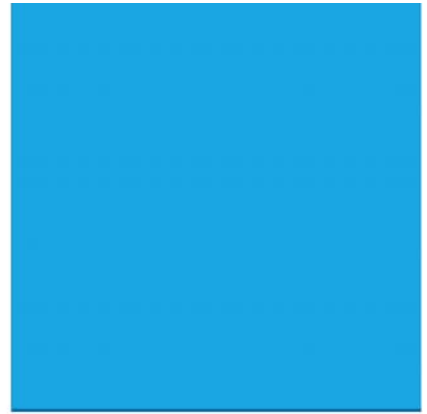
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# A Legacy Handbook for Enterprise



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## Foreword

*emda* recognises that 'enterprise' is a fundamental element of a thriving and competitive economy and the region needs more people to be more entrepreneurial, not just in order to start up a new business but also to inject creativity and innovation in any employment field.

Promoting and helping to develop a culture of Enterprise within the East Midlands has been at the heart of successive Regional Economic Strategies. Since the Agency was formed in 1999, *emda* has played an important role in articulating the reasons for promoting enterprise activity; influencing partner investments as well as making our own complementary direct investments.

Whilst there are varying views on what an enterprise-based economy looks like, *emda* has not only provided the strategic direction to guide investment into areas of greatest need but has also directly funded a wide range of initiatives which have been both innovative and wide ranging.

We have invested in projects that intervene where "market failure" meant little or no activity was being undertaken and in significant infrastructural projects to ensure facilities were in place to support entrepreneurial activity at a local level.

However, we have always recognised that this can be a challenging agenda to promote and requires a dedicated and creative approach if we are to influence a step change in the way the region embraces and embeds an 'Enterprise Culture' in the way that most effectively supports economic growth.

The diversity of the East Midlands and its varied industry base has provided us with the building blocks to deliver a range of programmes which have made a real impact in promoting and encouraging a culture of enterprise.

We have been particularly pleased with our success in increasing entrepreneurial activity within those from economically disadvantaged communities. Our work with ethnic minority, social and women's enterprise has been rightly singled out for praise and this has helped significantly influence the mainstream business support programmes, particularly for start up businesses.

*emda's* legacy can be measured in the fact that we have seen regional performance increase and at times we have closed the gap with the national average. For our successors, there is much to build on and a lot of our investment is yet to fully bear fruit particularly in areas where the broader macro factors that influence our economy have hampered our progress. We hope that this handbook will help inform the next generation of organisations that will have responsibility for promoting and supporting enterprise which should be read in conjunction with that for *emda's* Business Support legacy.



**Parvin Ali**  
Board member - Business  
Support and Enterprise



**Ann Cartwright**  
Board member - Voluntary  
and Community Sector



**Tricia Pedlar**  
Board member - Women's  
Enterprise  
June 2011

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# Executive Summary

## Overview, Achievement and Learning

Defining the word 'enterprise' is relatively straight forward. It is most often used as an alternative word for a business. Describing what is meant by 'entrepreneurial' or 'enterprising' is more complex as the terms are generally used to describe a set of behaviours or a particular culture within an organisation which characterise the ability to exploit ideas and opportunities and turn them into successful ventures.

Within organisations, increasing entrepreneurial activity can result in a more competitive environment which forces incumbent firms to increase their efficiency in order to survive, ultimately leading to higher levels of productivity and employment growth rates.

For individuals 'being enterprising' is about having the skills and competencies to succeed in a highly competitive and often challenging environment.

Fostering a culture of enterprise within a community can transform neighbourhoods and change the lives of individuals who have experienced disadvantage and inequality.

Globally, the level of entrepreneurial activity can be affected by the culture within a country and by prevailing economic conditions. Regionally, the East Midlands demonstrates a higher than average level of Total Entrepreneurial Activity (TEA) but generally lags behind the UK average in terms of the VAT registration rates and the number of new business start ups.

Enterprise has been recognised by successive Governments as one of the "five drivers of productivity", along with skills, innovation, competition and investment and for this reason, has been integral to *emda's* economic development remit featuring heavily in successive RESs produced by *emda* since 1999.

Given the wide reaching nature of the enterprise agenda, *emda's* primary challenge has been to encourage partners to invest in activities that make a real impact whilst at the same time making strategic investments of its own.

Encouragingly, *emda* has found that many partners across the region recognise that there are strong arguments for enhancing the provision of enterprise skills in education and in existing businesses as well as more broadly, fostering an enterprise culture across the population of the East Midlands.

*emda's* aim has been to align partner thinking across the East Midlands in order to increase the effectiveness of its, and its partners', investments to create a continuous path of enterprise education and awareness available to all in the region.

*emda's* Approach to Promoting a Culture of Enterprise in the East Midlands can be broken down into three elements:

### **1. Providing strategic direction to our partners and stakeholders in the East Midlands.**

Successive Regional Economic Strategies placed enterprise as a cross cutting theme in each of the overarching 'Structural Themes'. The RES provided a framework for supporting enterprise activity across the region, influencing the investments made by sub regional partners. *emda's* RDA lead role for enterprise also enabled it to influence national strategy with the previous Government's adoption of the five drivers for productivity concept.

### **2. Providing the economic evidence base for the Enterprise agenda.**

Underpinning *emda's* strategic and investment activity on the enterprise agenda has been a sound evidence base. This has been used to guide *emda's* own intervention as well as that of other partners and stakeholders.

**3. Investing in specific activities and infrastructure both regionally and sub regionally.** Through a combination of brokerage, partnership working and strategic investments, *emda* has sought to coordinate enterprise related activity and maximise the impact of initiatives across the East Midlands.

The nature of our investment has fallen under the following headings:

- Creating a Pathway of Enterprise Education and Awareness
- Developing Entrepreneurial Skills
- Providing Support that is Inclusive to all Communities
- Stimulating New Market and Enterprise Opportunities
- Addressing Persistent and High Levels of Worklessness
- Securing the Quality and Supply of Employment Sites



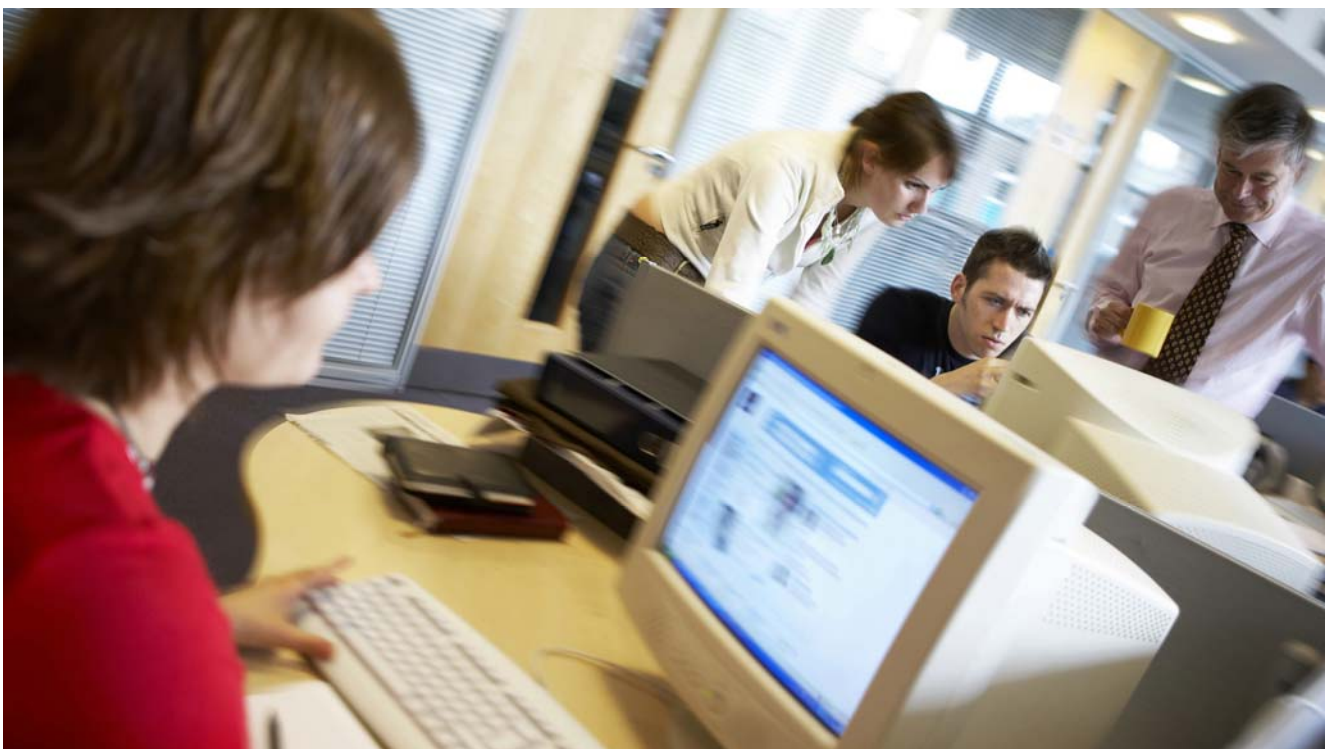
## Achievements

*emda* has made a significant difference to the enterprise agenda by providing leadership and helping to change the way that a thriving enterprise culture is viewed and addressed in the region. In its unique role, *emda* has undertaken activity that other public sector organisations were unlikely to tackle such as providing high quality enterprise support to individuals, particularly from under represented communities, and piloting activities which could be rolled out across the region.

Since 1999, *emda* has invested £156m to support the enterprise agenda in the East Midlands, in response to the strategic priorities of the RESs. Sub-regional partners have invested £57m (36%) of *emda*'s funding to this area. The majority of total *emda* investment (£109m, 70%) has been capital based and used to purchase land and buildings to act as work spaces for new and developing businesses. The remainder (£47m, 30%) has been used to promote the development of an enterprise culture, ultimately addressing the priorities of the "Raising Productivity" and "Achieving Equality" themes of the latest RES.

A review of the enterprise projects invested in by *emda* since 1999 suggest that they:

- **Assisted 13,925 people to get a job**
- **Helped 51,686 people to develop their skills**
- **Created or safeguarded 7,527 jobs**
- **Created 2,593 business**
- **Reclaimed 19.4 ha of land**



## Key Learning Points

Given the breadth and diversity of this agenda and the level of investment made over the years, *emda* has gleaned a number of key learning points which may help inform future investment.

- Enterprise is a very diverse policy area.
- Enterprise has a cross cutting impact on economic development.
- Generating new businesses and creating economic activity must ultimately form one of the major outcomes of this work.
- Sub-regional intervention can often make the greatest impact.
- Universities, Further Education Institutions and schools are rich sources of potential future entrepreneurs.
- Engaging with individuals interested in becoming entrepreneurs is more difficult after they leave the education system.
- *emda*'s work in developing Entrepreneurial Skills has shown that people from disadvantaged areas or under representative communities can start up a business with adequate support and financial assistance.
- Ambassadors, coaches and mentors are regarded as essential to both promoting the enterprise agenda and providing direct support to the individuals involved in the activity programmes.





## Future Opportunities

Enterprise promotion is likely to remain close to the centre of the Government's growth agenda. Encouraging potential entrepreneurs to start up and grow a new business remains a priority for the economy as a whole. Much of the future support for these potential entrepreneurs will possibly only be available on-line or from voluntary or private sector mentors and private sector service providers, particularly once the regional Business Link services are disbanded.

The developing Local Enterprise Partnerships (LEPs) may be encouraged to step into the "gaps" created by these changes, working to further influence the role of Local Authorities regarding this agenda and monitoring activity within their area.

This handbook aims to pass on *emda's* experience and knowledge promoting and supporting enterprise across the East Midlands. The handbook reflects the work carried out by the wide range of organisations, particularly those operating sub-regionally, that have cooperated to deliver the enterprise outcomes. The handbook is not intended to be prescriptive, nor does it represent the complete picture of enterprise activity in the East Midlands. It is a collection of learning and experience based on more than a decade of supporting enterprise activities at local and regional levels.



## Chapter 1

# Economic Context

Defining the word 'enterprise' is relatively straight forward. It is most often used as an alternative word for a business. Describing what is meant by 'entrepreneurial' or 'enterprising' is more complex as the terms are generally used to describe a set of behaviours or a particular culture within an organisation which characterise the ability to exploit ideas and opportunities and turn them into successful ventures.

'Enterprise', 'entrepreneurship', 'entrepreneurial activity', 'enterprise capability' and 'enterprise skills' are amongst many terms linked to the development of an enterprise culture within a society.

For example, in education, developing a 'can do' attitude (of mind) and a broad set of life skills is often a precursor to leading a life that is more enterprising whereas in economic development, entrepreneurial activity more generally refers to business start-up rates. Yet entrepreneurial activity not only describes the creation of new businesses, it can also include actions of individuals within businesses. For example, increasing key skill levels and supporting enterprising behaviour of those in employment ('intrepreneurs') can lead to improvements in business productivity and eventually lead to increased business start up and survival rates. Ultimately, of course, this should lead to high growth businesses which deliver high economic value resulting in higher employment growth rates and the reduction of unemployment rates.

Evidence shows that enterprising behaviour enhances the business stock and increases competition within markets. It is seen to create environments which stimulate activity by "shaking up" the market, forcing incumbent firms to increase their efficiency in order to survive. This process tends to divert resources from older, less productive industries into more efficient industries and is a key feature of high levels of economic performance.

Creating a more entrepreneurial culture will strengthen a region's ability to adapt to change and create new pathways of economic development. Building strong, cohesive communities and a dynamic society and economy, should in turn increase life chances for all. However, the extent to which growth can be determined by the level of entrepreneurial activity can be affected by a number of factors including macro economic conditions.



## Regional Economic and Social Context

Research<sup>1</sup> commissioned for the 2006 East Midlands Regional Economic Strategy identified a number of factors which characterise an entrepreneurial region:

- |   |
|---|
| <ul style="list-style-type: none"> <li>• Entrepreneurial regions have a culture that recognises, encourages and supports entrepreneurs and entrepreneurial ways of working.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Entrepreneurial regions have a dynamic business population that is based on a healthy start up rate, improving levels of business survival, a large and rising proportion of growing entrepreneurial firms and agglomeration effects that speed up growth by clustering and the geographical concentration of businesses.</li> </ul> |
| <ul style="list-style-type: none"> <li>• The institutions and infrastructure of a region can support and enable entrepreneurial activity.</li> </ul>  |

In the East Midlands, there is a mixed picture on indicators of entrepreneurial activity. VAT registration rates are below average whilst Total Entrepreneurial Activity (TEA) is above average. **(See Annex 2 for a detailed analysis of the region's entrepreneurial activity).**

Specifically:

- |  |
|--|
| <ul style="list-style-type: none"> <li>• In the East Midlands there were 47 business births per 10,000 resident adults in 2008, below the UK average, of 54 per 10,000.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Business births are significantly lower in the East Midlands than in the leading region in the country, London, where there were 96 births per 10,000 resident adults in 2008.</li> </ul> |

These factors underpin the need to embed an enterprise culture throughout the region - from tackling worklessness through to encouraging more entrepreneurial activity in the workplace.



<sup>1</sup> Entrepreneurial Regions, Exploring the Entrepreneurial Capacity of the East Midlands, Atherton A, Frith K, University of Lincoln, *emda* RES evidence commission, August 2005

## Justification for Intervention

*emda's* justification for intervention in this agenda was principally shaped by:

- **The identification of enterprise as one of the five drivers of productivity, and**
- ***emda's* role in terms of the developing the region's 'adaptive capability' in response to changing economic circumstance.**

Encouragingly, *emda* has found that many partners across the region recognise that there are strong arguments for enhancing the provision of enterprise skills in education and in existing businesses as well as more broadly, fostering an enterprise culture across the population of the East Midlands.

*emda's* aim, therefore, is based on creating a continuous path of enterprise education and awareness available to all in the region, linked to the provision of start-up assistance to those that wish to access it. Our intervention in the enterprise agenda has also sought to maximise the "spillover" economic benefits that are associated with, for example, enterprise education. These include increasing the employability of individuals.



PICTURE: University of Derby, Buxton Campus.

## Chapter 2

# *emda's* Approach to Promoting a Culture of Enterprise in the East Midlands

## The Challenge

Given the wide reaching nature of the enterprise agenda, *emda's* primary challenge has been to encourage partners to invest in activities that make a real impact of the East Midlands enterprise culture whilst at the same time making strategic investments of its own.

*emda's* approach can therefore for be broken down into three elements:

1. **Providing strategic direction to our partners and stakeholders in the East Midlands.** This has been aligned with national strategic activity and, in turn, influences sub-regional economic development priorities.
2. **Providing the economic evidence base for this agenda.** This underpins our role in proving strategic direction, providing quantitative and qualitative data to determine priorities for investment.
3. **Investing in specific activities and infrastructure to move the enterprise agenda on rapidly, both regionally and sub regionally.** The nature of *emda's* investment has fallen under the following headings, reflecting the regional and sub-regional priorities along with the gaps in national investment and provision observed:
  - a. Creating a Pathway of Enterprise Education and Awareness
  - b. Developing Entrepreneurial Skills
  - c. Providing Support that is Inclusive to all Communities
  - d. Stimulating New Market and Enterprise Opportunities
  - e. Addressing Persistent and High Levels of Worklessness
  - f. Securing the Quality and Supply of Employment Sites.



emda's approach to promoting a culture of enterprise in the East Midlands is summarised in the diagram below:

**emda's Approach - Promoting a Regional Culture of Enterprise**



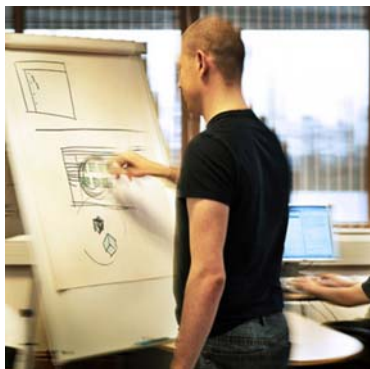
PICTURE: New Business New Life show.

## 1. Providing Strategic Direction

The primary means of providing strategic direction has been the publication of the Regional Economic Strategy (RES). Enterprise has featured heavily in successive RESs produced by *emda* since 1999 and has been integral to *emda*'s economic development remit. This has reflected the fact that enterprise has been recognised by successive Governments as one of the “five drivers of productivity”, along with skills, innovation, competition and investment.

- **Influencing National Strategy** – utilising our RDA enterprise lead role for the RDA network
- **Developing the Regional Economic Strategy (RES)** – the most recent RES (“A Flourishing Region”) recognising that enterprise is very much a cross cutting theme in each of the Structural Themes
- **Developing an Enterprise Culture Strategy** – for the East Midlands Regional Skills Partnership which identified that enterprise capability can be seen as a ‘golden thread’ to developing a culture of enterprise
- **Producing two Business Birth Rate Strategies** – aimed specifically at increasing the number and longevity of the start-up businesses in the region
- **Providing Sub-regional Direction** – the provision of an overarching structure and funding for Sub Regional Investment Plans (SRIPs) produced by our Sub-regional Strategic Partnerships (SSPs) and, latterly, the LA managed Sub-Regional Partnerships (SRPs). This was in recognition that much enterprise activity is locally based.

The previous Government last refreshed its enterprise strategy in 2008, supported by the RDA network. *emda* held the enterprise lead role for the RDA network between 1999 and 2005 and again between 2008 - 2010 influencing Government policy-making and representing the interests of RDAs to central Government Departments. We were responsible for helping the Government develop its five drivers of productivity concept and for identifying five key “enablers” for the promotion and success of enterprise. These provided a useful framework when considering how and when to intervene on the enterprise agenda.



The enablers are:

**A culture of enterprise:** where everyone with entrepreneurial talent – irrespective of age, gender, race or social background – is inspired and not afraid to take up the challenge of turning their ideas into wealth

**Knowledge and skills:** a lifelong journey for enterprise education, starting in our primary schools, continuing in our universities and embedded in the workplace, equipping employees and owners with the tools to unlock their entrepreneurial talent

**Access to finance:** ensuring that our entrepreneurs and small business owners have the knowledge, skills and opportunity to access the finance they need to make their enterprising ideas a reality

**Regulatory framework:** keeping legislation to a minimum, reducing the burdens of regulation, inspection and enforcement without removing essential protections, and clearly communicating any changes

**Business innovation:** ensuring that UK business is in a position to capitalise on global trends, by helping them develop and successfully commercialise innovative products, processes and services.

*emda* has supported activities covering the first three of these in relation to enterprise as they most closely aligned with the priority actions contained in the RES.



PICTURE: Hannah Lobley, Paperwork.



## Developing an Enterprise Culture Strategy

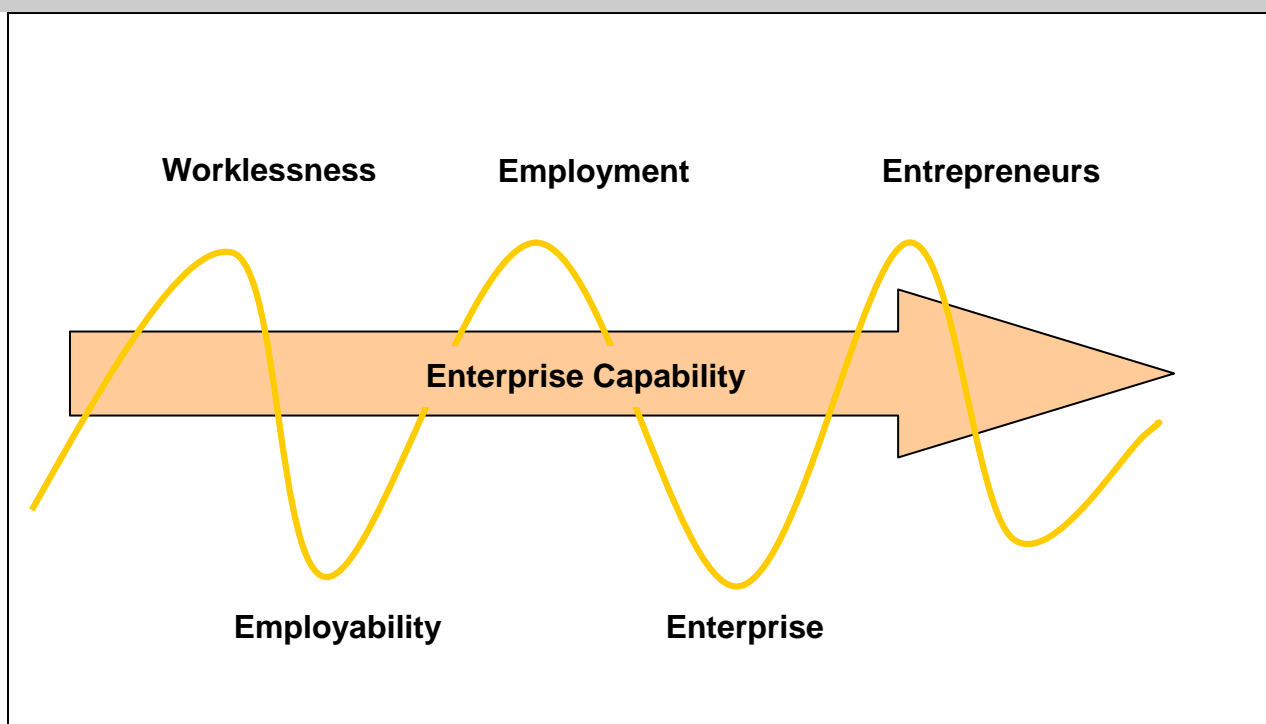
In 2008, the East Midlands Regional Skills Partnership (the Employment, and Skills Productivity Partnership) commissioned a group of partner organisations to produce an Enterprise Culture Strategy, based on the work contained within the RES. This body was responsible directly for coordinating partner and stakeholder activity around the employment and skills agenda in the East Midlands.

In developing the strategy, a study was undertaken to review enterprise capability in terms of worklessness and employability provision. It recognised that there was a range of existing provision, much of which is often linked to area based regeneration programmes.

Building on the RES priority actions of “enhancing employability of the most disadvantaged”, “addressing worklessness” and “building entrepreneurial skills”, the Strategy concluded that Enterprise Capability can be seen as a ‘golden thread’ that is as relevant to effectively supporting the long term unemployed and benefit claimants as it is for the knowledge driven graduates of the region who may be looking to start a business building on research developed in the laboratory.

Figure 1 illustrates this conceptual approach to understanding Enterprise Capability.

**FIGURE 1: ‘GOLDEN THREAD OF CAPABILITY’**



Much of the suggested work entails initial support to build confidence and develop key skills through early engagement or the provision of entry level courses with an enterprising skills element. The aim is to raise an individual's aspirations through the acquisition of skills such as problem solving, team work and effective communication. These activities enable individuals to become more suitably equipped with the additional 'soft skills' which employers often demand alongside the sector specific/technical skills required for any given role.

The strategy recommended that for individuals progressing through primary, secondary and tertiary education, enterprise capability should be embedded in all curricula to equip every individual with the skills to engage and be innovative and creative in an enterprising economy.

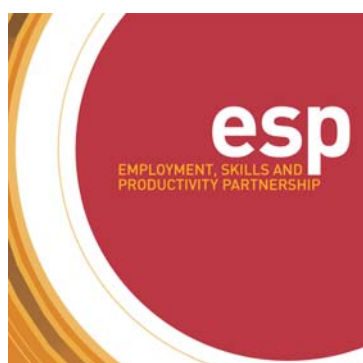
Within an organisation, encouraging an enterprise culture increases the capability of employees – enabling them to make a greater contribution to the development of the business and raising productivity.

Recommended actions include an emphasis on: problem solving; communication; new ideas generation; team working; and transformative leadership skills in work. These would provide added value in the expansion and growth of existing companies. It was recognised that much of this work could be focused on building the confidence of individuals so that they are better able to suggest improvements in their organisation, to identify new markets or adopt alternative processes that increase efficiency, increase profitability and generate sustainable business growth. This builds momentum towards achieving an overall enterprising economy.

The development of enterprise capability provides an individual with the necessary skills to consider starting up a business as a viable option, should they wish to do so. This was recognised as having a close synergy with *emda's* Business Birth Rate Strategy. (Please refer to the Business Support handbook for more detail)

Furthermore, it was found that these skills are not only relevant but important regardless of an individual's situation whether in work or engaging in society more generally.

**The development of enterprise capability will provide the necessary skills to enable an individual to consider starting up a business as a viable option, should they wish to do so. This has close synergy with the Business Birth Rate Strategy to produce a high business success rate.**



## Business Birth Rate Strategy

*emda* has coordinated two Business Birth-Rate strategies (BBRS). The first was published in 2001 and set out a series of actions intended to increase start-up activity across the region. The original Strategy set a target of 4,000 new starts per year, based on the deficit between start-up rates in the region and the rest of the UK in 1998. At the time the number of VAT registrations per 10,000 population in the region was 35 against a UK average of 40. An increase of 4,000 start-ups per year would have represented an increase to 45 registrations per year.

Whilst the ambitious targets set out in the original BBRS were not all achieved, the stretching targets did assist to improve the overall performance of the East Midlands and a number of measures were introduced nationally to support growth in overall entrepreneurial activity.

These were:

- Changes to the business support environment, such as the move to a regional Business Link service, the creation of the Universal Start-Up Offer (USO) and the Business Support simplification programme – the Business Support legacy report for further detail.
- National, European and regional imperatives to support enterprise culture and entrepreneurship; for example the Green Paper on Entrepreneurship in Europe, along with Government initiatives such as the Government Action Plan for Small Business, Enterprise Week, Enterprising Britain and the National Council for Graduate Entrepreneurship.

A refreshed Strategy, published in 2005/6, made recommendations designed to encourage people to act in an enterprising manner and supporting new businesses to start, survive and grow through:

- Building an Enterprise Culture
- Increasing the number of people considering starting a business
- Increasing Start-up rates, and,
- Ensuring that new businesses survive and grow

Successful implementation of the Strategy required the buy-in of regional and local funding partners and deliverers. Implementation was led by *emda*, Sub Regional Strategic Partnerships and the Employment, Skills and Productivity (esp) partnership. Many of the resulting actions from the second BBRS (e.g. Enterprise Week, enterprise skills, a universal start-up offer etc.) are in various case studies accompanying this and the Business Support Legacy Handbook.

In terms of delivering enterprise support, an evaluation of New Business New Life (NBNL) – a successful campaign aimed at increasing entrepreneurial activity, identified the need to:

- 'Braid' together quality assured mainstream delivery with targeted outreach to particular groups or areas (e.g. women and disadvantaged communities); and
- Increase the focus on the quality of new starts, including business survival and growth. This contrasted with the focus on generating increased volume of new starts through awareness raising.



PICTURE: Sherwood Energy Village, Nottinghamshire.

## Sub-regional Direction

The RES provided an overarching structure for Sub Regional Investment Plans (SRIPs) produced by Sub-regional Strategic Partnerships (SSPs) and, latterly, the Local Authority managed Sub-Regional Partnerships (SRPs) The SRIP set out the principles under which local enterprise initiatives would be supported.

The need for and type of intervention required to successfully promote entrepreneurial activity varies from one sub-regional area to another. As a consequence, Local Authorities and their sub-regional partners have played a leading role in developing an enterprise culture and supporting the creation of new businesses in their communities.

Locally delivered enterprise projects, while designed to enhance the national and regional offer, ensured that the diversity and complexity of the varied communities of the East Midlands was represented.

To avoid duplication with regional and national programmes, SSP/SRPs were encouraged to focus on:

- Locally-led projects to provide vital pre-start up advice and guidance, which was especially useful for individuals who were unsure about whether to go into business, or who faced multiple barriers. This work complemented the major regional business support programmes and included small grant schemes, which enabled would-be entrepreneurs to purchase basic equipment to take a tentative first step into business. The approach of targeting the needs of specific communities was widespread across the localities of the East Midlands. For example, in Leicester, the local partnership capitalised on the diversity and entrepreneurial spirit endemic in its minority ethnic communities. Other areas focused on rural enterprise, particularly in Lincolnshire, Rutland and North Nottinghamshire and Derbyshire.
- The construction of enterprise centres, business units and incubation workspace. These ranged from the refurbishment of redundant factories in city centres to state-of-the-art new buildings on brownfield land. Some were aimed at high technology businesses, others were specifically designed to attract a particular sector such as creative industries or digital media, and others to encourage community enterprise.

*emda* has found that interventions have the greatest impact when they are designed to ensure that delivery is consistent with local needs and opportunities.



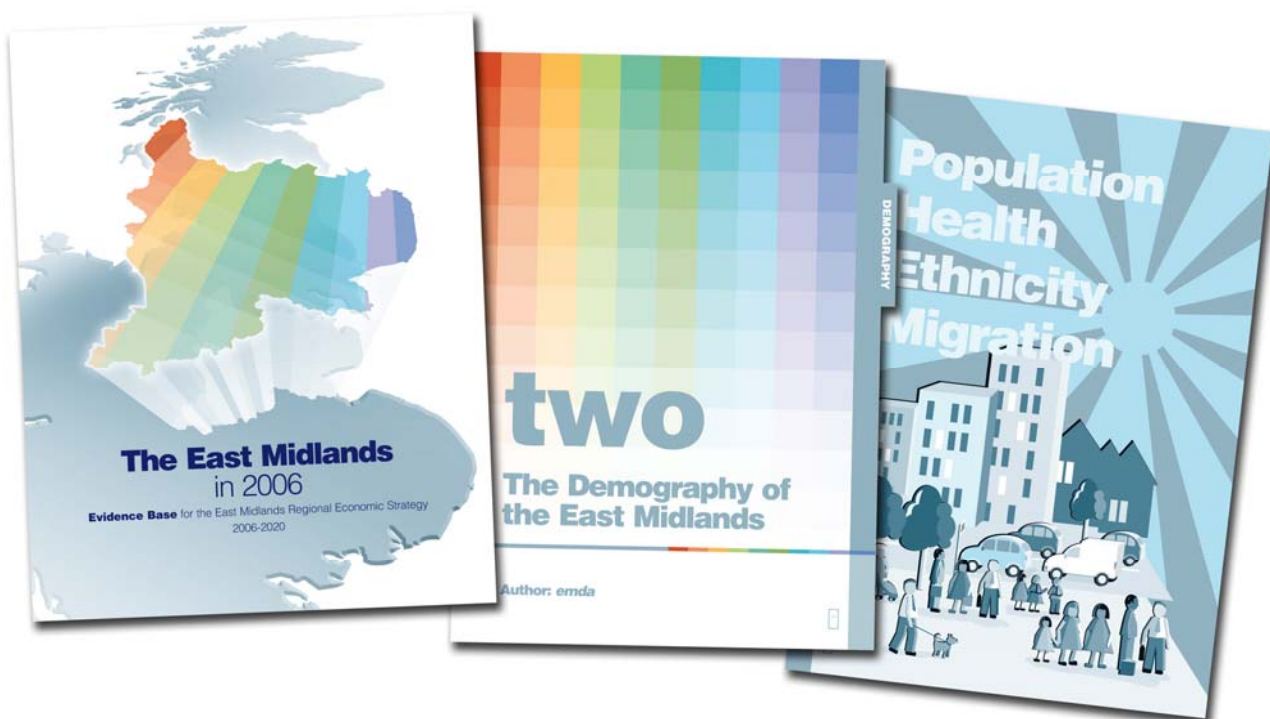
## 2. Providing the economic evidence base

Underpinning all *emda* strategic and investment activity on the Enterprise agenda has been the need to develop a sound evidence base and use this to influence the work of other partners and stakeholders.

*emda* has undertaken a detailed review of enterprise activity at both a regional and sub-regional level. This evidence base has provided the basis of the RES, the RES evidence base refresh as well as the specialist strategies described above.

*emda* has transferred this evidence base to the Nottingham Business School at Nottingham Trent University as part of its legacy process. This information is freely available to partners and stakeholders.

[http://irep.ntu.ac.uk/R?func=collections&collection\\_id=1301](http://irep.ntu.ac.uk/R?func=collections&collection_id=1301)



### 3. Investment in activities and infrastructure

*emda* has chosen to make investments in a range of regional and sub-regional activities to encourage the development of a culture of Enterprise in the East Midlands. These interventions were designed to align with wider national initiatives and the priorities within the RES and the SRIPs. The activities fell into a number of categories:

- Tailored activities to supplement national and regional activity
- Exemplar demonstration projects to provide evidence of intervention value and encourage ongoing activity without public subsidy
- Projects to intervene where “market failure” meant little or no activity was being undertaken naturally
- Significant infrastructural projects to ensure facilities were in place to support entrepreneurial activity.

Case studies in Annex 1 provide examples of the type of investment made by *emda*, their rationale and key learning points from each to inform future activity.



PICTURE: GRACE (GNSS Research and Applications Centre of Excellence), Nottingham.

## Tailored activities to supplement national and regional activity

### Creating a Pathway of Enterprise Education and Awareness

The Productivity Theme in the RES has directed *emda*'s central role in promoting enterprise in the region. From an early stage in its development, *emda* recognised that it could not be the sole funder of activity designed to “create a continuous path of enterprise education and awareness available to all in the region”. This required a multi-agency approach to delivery; harnessing the funding of other partners in the education, skills development, worklessness, regeneration and business support sectors. Whilst a major funder of the Business Support and Regeneration agenda, *emda* recognised that much of the funding held by partner and stakeholder organisations dwarfed that which it could make available to this agenda for direct intervention.

As a consequence, *emda* has primarily played an influencing role at regional level. Its strategic work (in developing the RES and its evidence base and associated action plans, the Enterprise Culture strategy and the Business Birth Rate Strategy) has provided the direction and coordinating mechanism to align other partners' activities to maximise the benefits available. Examples include the promotion of national competitions and initiatives, such as Enterprising Britain and Enterprise Week, which are both aimed at raising the profile of enterprise as an option for people. Much of this work helped galvanise and highlight activity being undertaken in sub-regional areas. The local connections held by Local Authorities and their partners enabled them to readily identify potential participants in and sponsors for these initiatives.

***emda* has primarily played an influencing role at regional level. Its strategic work has provided the direction and coordinating mechanism to align other partners' activities to maximise the benefits available from their funded activities.**

The first winner of the national Enterprising Britain Competition was the Sherwood Energy Village in Ollerton, Nottinghamshire. Local partnerships engaged in sponsoring events, organising roadshows, or helping with the submission of entries into the regional and national heats of this competition. Sub-regional partnerships also engaged fully in Enterprise Week, running events such as “Dragon’s Den” in partnership with Local Authorities and Chambers of Commerce and “Make Your Mark” in conjunction with local schools.

**See Case Studies 1, 2 and 3 in Annex 1.**

### Developing Entrepreneurial Skills

The development of entrepreneurial skills is fundamental to developing Enterprise Capability within the region. *emda* has again primarily played an influencing role in this area. Its strategic work, in developing the Enterprise Culture Strategy and the associated evidence base, provided the direction and coordinating mechanism to align other partner's activities to maximise the benefits available from their own funded activities.

**See Case Studies 4 – 8 in Annex 1.**



## Exemplar demonstration projects and intervention where market failure meant little or no activity was being undertaken.

### Providing Support that is Inclusive to all Communities

*emda* has been very supportive of increasing the diversity of the workforce, through encouragement of more inclusive employment practices as well as supporting individuals from under represented parts of society to set up a business. We have focused much of our efforts on encouraging participation by women and ethnic minority communities.

*emda*'s work has shown that improving diversity in the workplace is seen as a productive way to enable businesses to fully develop the potential of each employee, making full use of the different sets of skills that each employee brings into a business. Having a diverse workforce not only enables organisations to understand and meet customer demand better, but also helps attract investors and clients.

Again *emda* has played an influencing role in this agenda at regional and national level. The agency has been responsible for championing this agenda and providing strategic guidance in a range of policy areas and making direct investments in projects targeted at under-represented groups.

**See Case Studies 9 – 15 in Annex 1.**

### Stimulating New Market and Enterprise Opportunities

Much of *emda*'s investment in this area has centred on promoting the development of social enterprises. These are businesses that aim to address market failures and improve social, environmental and economic performance.

The Social Enterprise sector is diverse, characterised by a range of organisational types adopting different legal structures. Some of the better known examples include Co-operatives, Housing Associations, Development Trusts, Community Enterprises, Community Interest Companies and Charitable Trading companies. A range of legal structures are available for social enterprises to adopt dependent on their aims, objectives and social ownership model. These include companies limited by guarantee/shares, community interest companies, industrial and provident societies and limited liability partnerships.

There are approximately 1,100 social enterprises operating in the East Midlands; working in a wide variety of markets, often filling gaps left by other more commercial businesses and public bodies, and delivering effective local services, addressing economic inclusion issues and positively contributing to sustainable development. The sector has a turnover of £1bn and employs around 20,000 people. More than half of the sector generates 75% of its revenue from trading.

In July 2001, *emda* commissioned a report entitled “The Growth Potential of the Social Economy in East Midlands”. The report recommended that the key role for *emda* was to raise awareness of and champion social enterprise, network organisations and help share best practice. At the same time, *emda* published its Economic Inclusion Development Plan (EIDP). The plan clearly recognised the role of social enterprise in creating new wealth opportunities in disadvantaged areas, providing a route to inclusion for excluded people and a business model for voluntary/community groups to reduce their reliance on public funding.

As a result of the two publications, in 2002, *emda* led on the creation of Social Enterprise East Midlands (SEEM). SEEM was established by a network of social enterprise support agencies and other agencies with responsibilities or interest in the social enterprise agenda. SEEM’s mission was to create an environment in the East Midlands where social enterprises were encouraged to start and grow. It has worked closely with *emda* over the last eight years.

**See Case Studies 16 – 18 in Annex 1.**

### Addressing Persistent and High Levels of Worklessness

Getting individuals into productive work, particularly if they are on benefits, has been a priority for successive Governments. It remains one of the major challenges to the UK’s economy and also one of the hardest to address due to the many, often interrelated causes of unemployment.

The negative impacts of worklessness are significant; on individuals, families, communities and the nation. They include increased poverty and social exclusion, a loss of economic output, high fiscal burden, and an impact on the prospects of children from households where no adults are in work.

*emda* has supported a number of interventions to address worklessness at different geographical levels. Many have been piloted at local level and then replicated in other communities across the region. Much of our regional and local learning has been shared with Government.

**See Case Studies 19 – 21 in Annex 1.**



## Infrastructure projects to ensure facilities were in place to support entrepreneurial activity

### Securing the Quality and Supply of Employment Sites

From the start, *emda* has focused on creating the right conditions to assist individuals to start their own business and to nurture new companies so they can grow and prosper. In terms of infrastructure, this was more than ensuring that premises were available to accommodate all type and size of business, it was also important for these premises to be equipped with state of the art technology and provide access to quality business advice.

Early studies such as Quality Employment Land Study 2002 (QUELS) and the Regional Employment Land Priorities Study 2003 (RELPS) were undertaken with the specific aim of providing a framework to guide *emda*'s policies relating to employment land usage and its subsequent investment in key sites.

Specifically the RELPS identified the need to:

- Provide accommodation for start up companies
- Assist regeneration in areas of need (especially social enterprises and micro businesses)
- Foster growth in science and technology start ups, especially in locations close to universities and research institutions.

Whilst these studies identified employment land sites suitable for development, labour market and economic activity data showed the areas where intervention was most needed to assist individuals, communities and local businesses. *emda* undertook a regular analysis of enterprise activity across the region. Local Authorities also conducted similar studies with SSPs providing funding as well as strategic input. Combined, these studies helped shape the development and location of enterprise and business centres as well as influencing planning policy and the creation of local masterplans.

***emda* undertook a regular analysis of enterprise activity across the region. Local Authorities also conducted similar studies with SSPs providing funding as well as strategic input.**

Deciding exactly what type of centre to provide was agreed in collaboration with local partners, initially directed entirely by *emda* but increasingly from 2003, involving the SSPs. Options ranged from managed workspace (basic accommodation with shared amenities and services), incubation centres (aimed at start up companies, general management assistance, defined entry and exit criteria), to innovation centres/science parks (geared towards innovation companies with access to R&D support, usually close to a university or knowledge cluster).

In parts of the region, initiatives which *emda* inherited, such as the National Coalfields programme, were expanded and developed further with considerable emphasis on regenerating areas which had seen years of neglect and generational unemployment. The Redundant Rural Building Grants programme also transformed disused buildings into offices and workshops breathing new life into rural communities which were experiencing a combination of 'city flight' and outward migration due to the decline in land based industries and poor employment prospects.

Towns and cities across the region were given grants to develop empty shops and factories into offices and studios; many focusing on the new growth sectors such as creative industries and digital technologies. This approach fostered a culture of networking and collaboration, helping to shape the identity of a particular place. Most of our cities now have a dedicated Science Park or a Cultural Quarter which successfully draw in further income from tourism and international investment. Single Programme funding was also provided for Public Realm projects which helped transform some of the more run-down and derelict areas into vibrant, attractive commercial and communal spaces.

*emda* has been a significant investor in these centres, much of it through SSP and SRPs. Typically SSPs have invested about £46m in this type of activity and examples included in the Case Studies.

**See Case Studies 22 – 24 in Annex 1.**

**Separately, towns and cities were given grants to develop empty shops and factories into offices and studios; many focusing on the new growth sectors such as creative industries and digital technologies.**



PICTURE: No.1 Science Park, Nottingham. Copyright Martine Hamilton-Knight.

## Chapter 3

# Achievements

*emda* has made a significant difference to the enterprise agenda by providing leadership and investment, influencing the way that the importance of a thriving enterprise culture is viewed and addressed in the region.

Quantifying the impact of such a diverse agenda has sometimes proved challenging, particularly as some of the impact is likely to be harvested in the medium rather than the short term. *emda* has sought to do this both on a project by project basis and also as part of its wider Agency impact evaluation.

### *emda's* Funding

Since 1999, *emda* has invested approximately £156m in support of the Enterprise agenda in the East Midlands, in response to the above strategic priorities of the RESs. This is summarised in Table 1 below. The majority of investment in this area over the last five years has been undertaken by sub-regional partners.

**Table 1 : *emda* Funded Investment in the Enterprise Agenda – 1999 to Date**

<i>emda</i> Investment Category	Regional Funding		Sub-Regional Funding		<i>emda</i> Total Funding	
	£m	%	£m	%	£m	%
Creating a Pathway of Enterprise Education and Awareness	5.7		3.0		8.7	
Developing Entrepreneurial Skills	16.5		4.4		20.9	
Providing Support that is Inclusive to all Communities	2.0		1.3		3.3	
Stimulating new Market and Enterprise Opportunities	9.4		0.8		10.2	
Addressing Persistent and High Levels of Worklessness	3.3		1.2		4.5	
<b>Sub Total</b>	<b>36.9</b>	<b>37%</b>	<b>10.7</b>	<b>19%</b>	<b>47.6</b>	<b>30%</b>
Securing the Quality and Supply of Employment Sites	62.5	63%	46.3	81%	108.8	70%
<b>Total</b>	<b>99.4</b>		<b>57.0</b>		<b>156.4</b>	
<b>Percentage (%)</b>	<b>64%</b>		<b>36%</b>		<b>100%</b>	

The table shows that since 1999, sub-regional partners have invested £57.0m (36%) of *emda*'s funding to this area. The majority of total *emda* investment (£108.8m, 70%) has been capital based and used to purchase land and buildings to act as work spaces for new and developing businesses. The remainder (£47.6m, 30%) has been used to promote the development of an enterprise culture, ultimately addressing the priorities of the "Raising Productivity" and "Achieving Equality" themes of the latest RES.

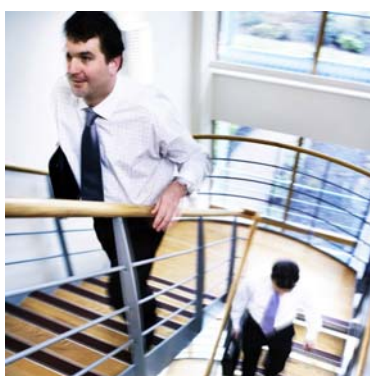
*emda* has also significantly invested in the Developing Entrepreneurial Skills area. This investment includes the agency's investment in the Princes Trust, some of whose work overlaps with the Business Support start up agenda.

### Project Impact

Each project funded by *emda* has had its impact measured in the form of its contribution to the Tasking Framework outputs reported by the agency. These offer an accurate measurement of the activity levels and outcomes created by the project.

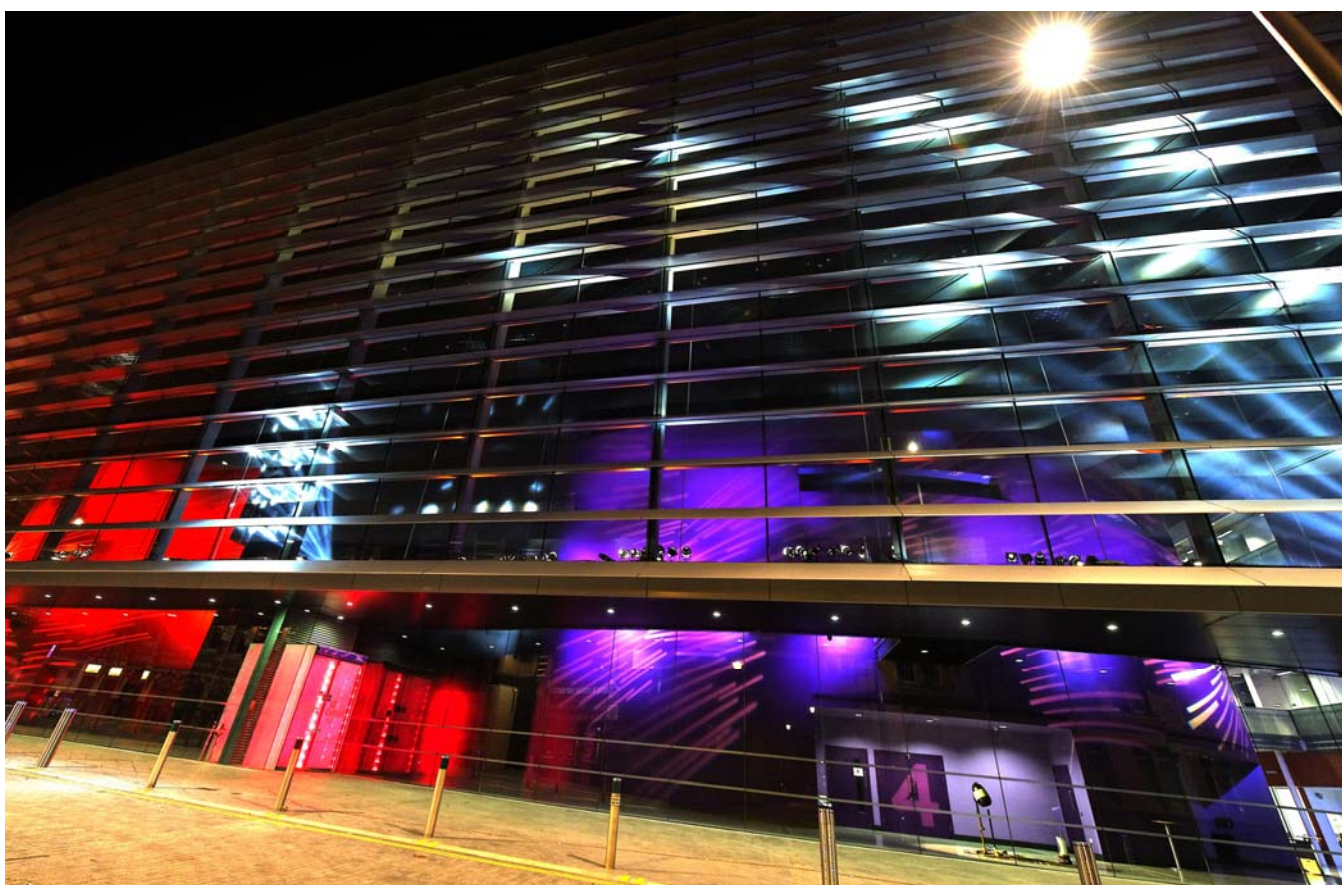
**Table 2 : *emda* Funded Investment in the Enterprise Agenda – 1999 to Date**

Investment Level	People assisted to get a job	People assisted to develop their skills	Jobs created or safeguarded	New businesses created	Ha of land reclaimed	Financial leverage
Regional	2252	39202	3079	1219	8.1	101.2 m
Sub-regional	11673	12484	4448	1374	11.3	50.3 m
<b>TOTAL</b>	<b>13925</b>	<b>51686</b>	<b>7527</b>	<b>2593</b>	<b>19.4</b>	<b>151.5 m</b>



The table also identifies the split between projects funded regionally and sub-regionally. The following conclusions can be drawn from this:

- Programmes of these type can impact on relatively large numbers of people.
- *emda* has focused on developing the skills base at a regional level, often linking to national activity and ensuring a degree of consistency.
- Sub-regional programmes have been more focused of assisting people find a job. This was reflected in the agency's sub-regional action planning with its partners.
- Unsurprisingly, revenue based programmes generate more outputs in the short term relating to job creation and business start up compared to capital investments.
- Cost per output is higher than the major Business Support programmes that have generated the majority of *emda*'s outputs in terms of new businesses created. This is due to the relatively high cost of providing intensive support for hard to reach groups and individuals.
- Capital programmes, whilst not major creators of jobs or businesses do provide the necessary infrastructure to allow business to start and grow quickly.
- Sub-regional programmes have been the main sources of these outputs, reflecting the nature of their strategic planning and the increasing responsibility for enterprise support in recent years.



PICTURE: Curve, Leicester

## Evaluation evidence

The range of individual project and programme evaluations that have been undertaken have all tended to show positive outcomes in return for *emda's* investment. Examples of these have been highlighted in the case studies provided in the Handbook.

The Ecotec evaluation of the agency's activity from 1999 to 2007 did not specifically look at the Enterprise agenda. It reviewed much of the work in conjunction with the wider business support activities. It also reviewed land and property development separately, as part of its regeneration review. As a consequence, it is difficult to draw direct conclusions on the impact of *emda's* investments in this agenda from its detailed contents.

However, excluding the regeneration element, the Ecotec study suggested that 706 net additional jobs had been created for the regional economy, which together generated an additional £97 million of additional economic activity (measured as Gross Value Added) per year. Given the figures shown in the above project based tables, this would appear to be understated. It does confirm that the projects undertaken have a positive influence on the economy. However, many of these projects were not planned to be major job creation activities. Some of these have yet to see their economic impact, particularly those undertaken with younger people who have not yet reached their full potential.



PICTURE: Rookery Farm Mail Order facilities, Spalding, Lincolnshire.



## Summary of Other key Achievements

*emda* has made a difference to this agenda in other ways. Our broader key achievements have fallen into the following categories:

- **Evidence**

In line with *emda*'s evidence-based approach to investment, the agency has developed a comprehensive evidence base which articulates the benefits of working in the Enterprise Culture agenda and highlights the opportunities for further investment.

*emda* leaves the region well equipped to plan future activity and investments to continue the development of the Enterprise Culture; building on the assets and learning that are already in place. The key elements of this legacy are:

- Research reports and recommendations from a number of pilots interventions, a number of which have been profiled in the case studies
- The integration of enterprise into most of the key regional strategies published by *emda* and its partners
- An up-to-date database of regional, national and in some cases, local enterprise indicators.

### Visibility and profile

Investments and interventions by *emda* have raised the visibility and profile of the enterprise agenda. This has been achieved through a gradual mainstreaming process which culminated in the prominence of the agenda in the most recent RES and subsequent key regional strategic documents.

*emda* has also funded specific awareness initiatives, often alongside national initiatives and linked to regional and sub-regional partners. In turn we have seen an increased demand from residents of the East Midlands to find out more about starting up a business. This has been reflected in activity levels registered by our Business Link services.

- **Catalyst for change:**

One of *emda*'s roles has been to spot gaps and opportunities for intervention and use investment as an incentive to bring partners together and stimulate activity. This has taken a number of forms including:

- Brokering effective partnerships to maximise regional strengths; for example, through the work of the Employment Skills and Productivity partnership
- Pump priming activity using limited initial investment, often through the SSPs and SRPs; and
- Supplementing this with significant regional and sub-regional infrastructure to house the emerging businesses.

- **Best practice and expertise:**

Using its unique role, *emda* has undertaken activity that other public sector organisations were unlikely to tackle. The agency developed in-house skill sets that have enabled it to provide high quality enterprise support to partners and individuals, particularly from under represented communities.

*emda* has also developed mechanisms and measurements to embed this learning in the agency's mainstream economic start up and business support activity. The trends on engagement, particularly with the Business Link service, have been encouraging and this has been reported regularly to the *emda* Board. Recent data show that, whilst overall engagement levels have dropped (due to cuts in adviser numbers due to reductions in funding), the proportions engaging from under-represented communities continue to rise.

Overall, and as a result, *emda* believes that the region is left with a strong legacy in relation to further developing an enterprise culture.



PICTURE: Copyright Business Link.

## Chapter 4

# Key Learning Points

The delivery of the Enterprise agenda has provided significant learning which can be summarised into the following key points for the next generation of enterprise policy-makers and practitioners.

- **Overall, Enterprise is a very diverse policy area.** Going forward, there is a danger that proliferation of activity could return to this agenda. Providing strategic direction based on a precise definition of enterprise and an appropriate evidence base is important. Equally important is the creation of a framework of intervention to support this, aligned with the national agenda such that investments complement each other.
- **Enterprise has a cross cutting impact on economic development.** It can be reflected in many differing aspects ranging from productivity to social inclusion. Being clear about the objectives of any proposed enterprise intervention will give greater focus to that work. In hindsight, the setting of targets for this agenda has sometimes been seen to be both ambitious and problematic. There are many variables that impact on start-up rates which tend to fluctuate greatly with the economic cycle.
- **Whilst Enterprise intervention can take many forms, generating new businesses and creating economic activity from this must ultimately form one of the major outcomes of this work.** Equally, not all enterprise investment should be focussed on starting a business. Individuals require different levels of intervention, depending on their starting point, to get them commence self employment.
- **Sub-regional intervention can be closely aligned to the Enterprise agenda and can be best suited to make the greatest impact.** *emda* has successfully differentiated between the nature of national, regional and sub-regional enterprise activities. This differentiation will be required between national and local activities going forward. Tailoring of interventions to meet local needs together with providing the infrastructure to allow start up businesses to develop have been seen to be successful.



- **Creating a pathway of enterprise education and awareness has proved to be challenging to achieve regionally.** One off programmes for pupils have had some limited success, for example. The links made between business community and schools have often continued after the programmes have ended. However, this work needs to be part of a continuous exposure to enterprise culture as a young person develops. *emda* has often run enterprise activities with other funding bodies due to the lack of mainstream adoption by the education funders and policy makers. Unfortunately, much of this type of activity remains extra-curricula and therefore remains time intensive for teachers. A coordinated national drive by the policy makers responsible for education is required to bring this forward.
- **Universities, Further Education Institutions and schools are rich sources of potential future entrepreneurs.** Aligning regional funding with national activities has extended and tailored the focus of their enterprise promotion and skills development activities. Having reviewed the impact of these programmes, it has been recognised that the most successful projects have been targeted at individuals who are close to completing their studies.
- **Engaging with individuals interested in being potential entrepreneurs is more difficult after they leave the education system.** Providing locally focused enterprise promotion events linked into the start up agenda helps with this. The provision of these will need further review once the regional Business Link service is disbanded. National promotional initiatives, such as Enterprise Week, have their place but they need to be supported with comprehensive and structured linkages into day to day activities at sub-national level to sustain their impacts. This has sometimes proved difficult to achieve in the East Midlands.
- ***emda*'s work in developing Entrepreneurial Skills has proven that people from disadvantaged areas or under representative communities can start up a business with support and financial assistance.** The importance and quality of the mentors used was highlighted as a key factor for success in this. However the expectations placed on individuals with multiple barriers to be able to sustain a business over a period of time have been seen to be considerable. Some of the targets have been over ambitious in hindsight.



- **Ambassadors, coaches and mentors have been seen to be essential to both promoting the enterprise agenda and providing direct support to the individuals involved in the activity programmes.** They have often formed networks that, in turn, have been mutually beneficial to them. In the early stages, individuals volunteering for these roles were often seen to be keen to promote their own businesses. In time, and with guidance, cohorts of experienced mentors and coaches have been developed. These networks may continue virtually, using systems such as “LinkedIn”. However, without structure and the careful management of opportunities, volunteering has been seen to fragment.
- **Within the workplace, the most powerful influence on best practice around diversity in employment has been found to be the presence of a motivated, champion at a senior level.** Developing and supporting these “champions” should be the route to encouraging better employment practice. This positive approach is more likely to be successful than, for example, the negative emphasis of a ‘perceived threat’ of employment legislation.
- **SEEM demonstrated that you can create an organisation that encourages social enterprises start and grow.** Such organisations have the capacity to build the capacity of local authorities and other strategic partners to provide advice and support to existing enterprises. Providing them with separate funding to support enterprises can move the agenda more quickly and raise the body’s profile. However, care must be exercised to ensure relevant expertise is employed to manage such schemes.
- **The importance of partnership working is considered fundamental to ensuring that new business premises were situated in areas which are easily accessible, free from crime and close to amenities.** It is important to establish a demand before any construction/refurbishment work starts to ensure that the premises are in the right location for prospective clients and there will be sufficient cash flow available to sustain the activity until its breakeven point is reached.
- **Incubation centres with short term letting facilities are particularly attractive to new entrepreneurs who may be reluctant to enter into a long term lease arrangement.** Conversely, some businesses are reluctant to move on and free up space for new start ups. Flexible space is important to allow companies to grow and remain in the same location. Innovation centres tied to some sectors have sometimes had to relax their occupancy criteria in order to fill the premises.



## Chapter 5

# Conclusions and Future Opportunities

The Coalition Government has yet to update its enterprise strategy but enterprise promotion is likely to remain close to the centre of its growth agenda though it is likely to favour a less interventionist approach. The involvement of private and third sector organisations in developing and delivering activity is likely to be well received. The Government is encouraging an “enterprise led recovery”, linked closely to economic growth. The recent Start Up Britain initiative confirmed the Government’s wish to grow an entrepreneurial based society. This is a private sector initiative that is supported by Government. It has gathered the backing of significant international brands including Barclays, BlackBerry, Experian, Intel, Microsoft, McKinsey & Co. and Virgin Media.

There is still much to be done to align enterprise policy across Government departments however. For example, whilst policies emanating from BIS have been supportive of the development of enterprise education, opportunities still exist for greater collaboration with the Department for Education to produce a joined-up policy position which mandates and funds schools to include enterprise enrichment activities within the curriculum.

Separately, the Coalition Government has endorsed the development of the Start Up Hub project, led by HMRC. Whilst this aims to align a number of tax regimes to streamline the business start up, it will also fund a significant refresh of the advice and guidance available to individuals to help them set up a business. This will be contained within the national Business Link website.

The developing Local Enterprise Partnerships (LEPs) may well be encouraged to step into the “gaps” created by these changes, working to further influence the role of Local Authorities regarding this agenda. This is a positive step, if achievable. The LEPs will need to monitor developments closely and align their interventions with the national approaches.

The ESP Task and Finish group drew out the concept of developing Enterprise Capability. Many partners resonated with this concept. It could form the basis of future Enterprise strategic work at local level.

*emda* leaves the region in a strong position to capitalise on the opportunities available through the transition to an Enterprise Culture. In the current economic climate, there are key benefits to promoting enterprise and translating this into the creation of new businesses and jobs.

The lessons learnt regarding the support and promotion of the start up agenda should help to ensure that the activities undertaken continue to have real impact and offer value for money.

## Recommendations

Enterprise is a very diverse policy area. Many well meaning policy makers have been keen, in the past, to start initiatives in this area. Going forward, there is a danger that proliferation of activity could return to this agenda. Providing strategic direction based on a precise definition of enterprise and an appropriate evidence base is important. Creating a framework for intervention to support this which is aligned to a national agenda should ensure that investments complement each other.



## Annex 1

# Case Studies

This Annex highlights a selection of case studies from each type of enterprise intervention. They are classified according to the headings introduced in section 3 above. Each case study summarises the intervention, the impacts, learning, lessons and potential for future development.

The case studies provided in this Annex are:

### Creating a Pathway of Enterprise Education and Awareness

1. Young Enterprise .....A2
2. Unleashing Enterprise .....A6
3. New Business New Life .....A11

### Developing Entrepreneurial Skills

4. Entrepreneur Scholarship .....A14
5. Enterprising Youth .....A16
6. Flying Start – Business Start Up to Undergraduates .....A19
7. Enterprise Inc.....A21
8. Business Champions .....A23

### Providing Support that is Inclusive to all Communities

9. Promoting the Business Case for Diversity .....A27
10. Playing a Leading Role on the National Women’s Enterprise and Ethnic Minority Business Taskforces .....A30
11. Women’s Ambassadors Network .....A37
12. Women Returners to the Labour Market .....A39
13. Women’s Business Support Directory.....A42
14. Minority Supplier Development UK .....A44
15. Ethnic Minority Business Advocacy Network .....A47

### Stimulating new Market and Enterprise Opportunities

16. Social Enterprise East Midlands .....A49
17. The Social Enterprise Development Fund .....A53
18. Local Alchemy .....A57

### Addressing Persistent and High Levels of Worklessness

19. Enterprise Ecologies .....A60
20. The Healthy Hub .....A63
21. Business Link Outreach Support Project .....A65

### Securing the Quality and Supply of Employment Sites

22. Sherwood Energy Village.....A69
23. Portland Enterprise Centre .....A71
24. Leicester Creative Business Depot.....A73



## Case Study 1: Creating a Pathway of Enterprise Education and Awareness

## Young Enterprise



Pictured: Young Enterprise promotion at New Business New Life show

*emda* invested £854k between 2006 and 2010 in two Young Enterprise programmes.

**The Young Enterprise Primary Programme** was specifically designed for pupils aged 4 – 11 and enhanced pupils' understanding of their role in society, communities and cities, and the world of work and business. It provided building blocks for personal skills development.

**The Young Enterprise Company Programme** provided secondary school pupils aged between 15 and 19 with the opportunity to gain practical experience of setting up and operating a registered company. The pupils elected a board of governors from their peer group, raised shared capital, undertook market

research and produced/delivered their products or services. Ongoing support was provided to both programmes by a link teacher and a volunteer business champion/adviser.

### WHY AND HOW WE DID IT

Both of these programmes aimed to support *emda's* enterprise culture strategy to develop an entrepreneurial mindset and enterprise skills from an early age and an enterprise culture in schools by linking with the business community.

The programmes had links to the national Young Enterprise programme. They used content and delivery methods that were consistent across UK and formed a national model. Investing in this manner enabled *emda* to support the development of enterprise skills and knowledge through collaborative working between schools and local businesses in a cost effective manner.

Business Volunteers were an important part of the delivery of these Young Enterprise programmes. The business volunteers, along with the teachers, were the main link between Young Enterprise and the pupils. They made a significant contribution towards the effectiveness of the programmes and reducing the costs of implementing the programmes in schools.

## IMPACT

Over 24,000 students participated in these programmes. The role of the programmes in generating impact was highlighted with over two thirds (71%) of participating schools reporting that it was either unlikely or highly unlikely that there were other activities available to young people which would generate similar impacts.

There were links made between businesses and schools as a result of the programmes, which have led to further joint working. Almost a fifth of the schools involved in the programmes have reported that the programme led to the school and the business undertaking further activities. Examples include:

- School pupils visiting the volunteers place of work (mainly as a result of the Primary Programme).
- Pupils undertaking work placements (as a result of the Company programme).
- Business volunteers and their businesses/place of work providing support relating to writing CVs, interview techniques and applying for jobs. Some business volunteers became school governors.

There were some cases where involvement in the Young Enterprise programmes has led to businesses working with other schools and becoming involved in other enterprise and mentoring related activities. Examples of this activity include:

- Participating in schools events such as healthy eating and industry days
- Mentoring activities with local primary and secondary schools
- Work between the business and connexions and the local university
- Participating in career and trade fairs.

In terms of business benefits, the Young Enterprise programmes offered business volunteers a range of personal benefits and benefits for their company. Over 90% of business volunteers reported that involvement helped them to give something back to the community and over 70% felt that the programme had helped them to inspire young people to become entrepreneurial. Over 80% of business volunteers reported that the programmes provided a new challenge and involvement in the programmes had allowed them to enhance their own knowledge and skills. Many business volunteers reported that participation in the programme created a positive company image and helped to them forge links between the business and community.

## KEY LEARNING POINTS

Enterprise education programmes, such as Young Enterprise, must have a continuum of learning, development and support built into them for the benefit of students once interest in enterprise has been created and enterprise skills developed. Ideally, there needs to be further opportunity for the same student to continue his/her interest in order to maintain momentum towards leading an enterprising life and with its consequent potential for entrepreneurial activity.

For example the greatest impact in the Primary programme would have been achieved if pupils had experienced each module successively and had opportunity to build upon previous knowledge, ideas and skills from reception through to year 6.

The Company programme was time intensive for the link teachers. It was important to ensure that the level of time required to support students in setting up and running the company was clearly communicated at the outset. This is mainly an issue for those teachers who are involved in delivering the programme as an extra curricula activity and therefore do not have designated timetable slots for the Young Enterprise activities.

There was also an opportunity to increase the level of communication and engagement between business volunteers to allow them to share experiences, reflect on what works well and gather ideas on how they could improve the delivery of these sorts of initiatives in schools. This would support the continued development of business volunteers. Those volunteers who are participating for the first time should have the opportunity to shadow a more experienced volunteer before starting delivery.

Whilst the cost of the Primary Programme did not increase, schools which were previously subsidised by *emda* to participate were asked to pay in future. Given that the subsidised modules were aimed at schools in deprived areas, this may reduce the programme's reach going forward. To date, levels of participation in the Primary Programme have remained more stable although there are cases where schools are no longer able to participate or have reduced the number of modules (and therefore the number of pupils). There is a need to ensure that both programmes are reaching as wide a range of students as possible and reduced funding may impact on the extent to which schools in economically deprived neighbourhoods are able to participate in the programmes.



## POTENTIAL FUTURE DEVELOPMENT

Previously Young Enterprise had not worked in partnership with other enterprise education deliverers. There was only a limited link to national enterprise or education policy as the Department for Education (DFE) did not appear to recognise the importance of enterprise education (in a policy sense) nor was any funding ring fenced for enterprise education. It was left to the discretion of individual schools to fund this activity. BIS and its predecessors incorporated enterprise education into its policy more recently in areas such as Further Education (e.g. Qualify with a Business) however they did not have a focus (in a policy sense) in primary and secondary education, leaving this policy area to DFE.

Going forward, collaborative partnerships would offer Young Enterprise opportunity to work with other organisations to utilise their expertise and resources, and thereby ensure sustainability for the Young Enterprise programmes. However, they need to be led by Education policy makers. This new way of working could involve working with those organisations that previously would have been in competition with Young Enterprise. Given the changes brought about by budget reductions and funding restrictions, this could be an opportunity to work together to deliver enterprise education and enrichment activities in specific segments of their shared market.



## Case Study 2: Creating a Pathway of Enterprise Education and Awareness

## Unleashing Enterprise



Picture: Unleashing Enterprise

Between 2008 and 2011, *emda* invested in the development of a strategic partnership development programme called **Unleashing Enterprise**. It had the specific aim of creating alliances between organisations to assist with building an enterprise skills culture among young people from across East Midlands.

Doing so enabled *emda* to support the development of enterprise related skills and knowledge through collaborative working between local authorities, specialist support agencies, schools, colleges and local businesses. The evolution of the Unleashing Enterprise programme has enabled *emda* to stimulate interest in, and take up of, enterprise skills activity in a much more coherent way than it was able to do previously.

### WHY AND HOW WE DID IT

Research commissioned by *emda* identified a strong link between the impact of developing enterprise skills in early years and subsequent engagement in economic activity, increased personal motivation and aspiration, and improved health and well being. There was also evidence to support the development of enterprise capability which in turn leads to more productive people in workplaces and in communities.

There was also a desire to develop alliances that would lead to future sustainable collaboration between organisations and in particular local authorities who have nationally set targets for enterprise related activity.

The work recognised that in order to promote opportunities for young people to take up the enterprise skills offer in their schools, communities or places of work the East Midlands, the Enterprise Week programme would need to be developed into a year-round programme of activity to engage with young people, educators, employers and business as well as stakeholders and partners. These included representatives from the following sectors: Young Enterprise and the Further Education and Higher Education, Social Enterprise, Culture, Education, Business and Voluntary/Charity.

Central to the successful delivery of the Unleashing Enterprise initiative has been the management of an effective Programme Steering Group (PSG). The PSG was able to comment on all activity throughout the programme, steer development work and contribute practical involvement in projects and activity. PSG members have also been key

disseminators of information and thereby instrumental in maintaining the profile of enterprise culture activities.

Major activity took place to support Global Entrepreneurship/Enterprise Week. PSG members delivered a range of workshops and activities during the week long event. These activities included showcasing their organisation's commitment to enterprise culture, working with Young Enterprise to deliver the Business Language Enterprise Challenge, design and development of the Zero Carbon Enterprise Challenge.

Unleashing Enterprise developed the Enterprising Places Network and held 12 events throughout the East Midlands during the duration of the programme. This network has stimulated engagement and interest from a range of organisations including employers, public sector and community voluntary sector organisations committed to improving the potential for enterprise in their localities.

An e-map of enterprise skills providers and suppliers in the East Midlands was developed and made available through the Unleashing Enterprise website. This has become a repository of data for anyone wishing to access information about enterprise skills.

A Memorandum of Understanding (MOU) was developed in conjunction with Enterprise UK to enable greater collaboration on national projects, resulting in shared learning, access to EUK research data and contributions by EUK staff to Unleashing Enterprise activities.

## IMPACT

Over the three years Unleashing Enterprise delivered its aims and objectives through a series of annual operational plans. These focussed on the following areas of activity and achieved the following outcomes:

- It developed Global Entrepreneurship Week activity into a year round campaign aimed at strategic influencers, educators, businesses, agencies and individuals.
- It built a region wide partnership of enterprise educators, influencers, agencies and individuals motivated and resourced to promote, develop and deliver enterprise skills activity within and across their respective networks and their target group.
- It developed and delivered a bespoke, targeted set of campaigns including the Enterprising Streak Campaign. These focussed primarily on school, FE and HE curricular activity and the promotion of youth entrepreneurship.

During the final year of delivery the UE programme focused on capturing lessons learned for the future delivery of enterprise skills and culture activity in East Midlands.

Specifically, its impact falls under two headings:

## 1. Best practice and the development of partnerships

### Education Sector

Unleashing Enterprise has engaged strategic educators of young people at HE, FE, secondary and primary school levels. This has been achieved through engagement with individual contacts, attendance at meetings, through an annual Unleashing Enterprise conference and FE showcase events. This has also included attendance at various seminars, for example, the Lincolnshire Education Business Partnership Primary School conference, and the launch of the Derbyshire ELP.

Enterprise good practice showcases have been held at HE level on the Unleashing Enterprise website, including Enterprise Inc, The Hive at Nottingham University, and De Montfort University enterprise programmes.

Work was undertaken with key leaders and influencers to establish a programme of good practice at secondary school level and FE level across the region. The relationships and trust that developed as a result has enabled projects to be implemented and received with enthusiasm. These have included the Qualify with a Business (QwaB) pathfinder pilot on behalf of Department of Business, Innovation and Skills, and the Make Your Mark Challenge on behalf of Enterprise UK.

### Employers

Unleashing Enterprise added value to working with employers and managed a research project to ascertain employer views across the East Midlands on the subject of engagement with schools and colleges.

### Programme Steering Group

Refreshing the make up and membership of the Programme Steering Group proved essential to maintaining momentum, incorporating new ideas and gaining additional expertise.

## 2. Identification and Dissemination of Good Practice

This has been an area of extensive activity for the Unleashing Enterprise Programme. Eleven showcase events were developed for the programme and four showcases of individual young people were developed for the Enterprising Streak website.

Regular e-alerts have been produced (with a circulation list of 910 individuals and organisations). Guest speakers and showcase presenters were secured for all Unleashing Enterprise events including Global Entrepreneurs/Enterprise Week (GEW), the annual Unleashing Enterprise conference, a major FE showcase event and Enterprising Places Network events.

An Enterprise map of the East Midlands was launched at the annual Unleashing Enterprise conference and a Google map produced. This went live on the main

Unleashing Enterprise website and has continued to be maintained and updated making information available to those interested in enterprise.

## KEY LEARNING POINTS

Greater consideration between *emda* and Unleashing Enterprise partners was needed to know best how to influence local authorities and to engage them with the enterprise culture strategy. This area of work presented a constant challenge, not least because of the high number of local authorities in the East Midlands, and the relatively limited amount of time available. The complexity of local authorities and the many and varied “entry points” that might be available to develop enterprise activity simply scale up the difficulties.

A full review of the management arrangements for the enterprise culture strategy could have been linked to a restructuring of the PSG. This ‘missing link’ resulted in some confusion between the Steering Group’s strategic role and implementation of programme activities role.

On some occasions the Unleashing Enterprise programme main delivery partner did not have sufficient resources and capacity to influence the design of 14-19 plans with the aim of these plans including an enterprise strand.

### **Stakeholder analysis/feedback**

Northamptonshire Enterprise Limited (NEL) developed its local area enterprise culture strategy following consultation with the Unleashing Enterprise programme alliance partners and took reference from the good practice guidance that was made available. This included *emda*’s enterprise culture strategy.

Derbyshire County Council requested support from Unleashing Enterprise to assist in the design and delivery of a series of workshops and roadshows for creative industry enterprises. This relationship and contribution is on-going beyond the end of the Unleashing Enterprise programme.

Nottingham and Nottinghamshire Employer Skills Board has worked with Unleashing Enterprise to develop an idea for a toolkit to assist private sector employers including Capital One, in identifying enterprise capability in their organisations.

Councils including those responsible for Boston, Grantham, Wirksworth, Bolsover, Leicester City, and Rutland have participated in and contributed to, the Unleashing Enterprise Enterprising Places Network events. The Councils have commented on the stimulus these events have made to wider engagement and the opportunity to learn from models of good practice from other areas with similar issues.



## POTENTIAL FOR FUTURE DEVELOPMENT

Within the new LEP arrangements, an enterprise culture leadership group could be considered to lead enterprise skills strategy development. A Steering Group within each LEP could have a role in direct delivery of the various activity strands arising from this.

Specific future activities that could be considered include:

- Rolling-out an enterprise campaign which extends into the employer skills agenda in order for private sector employers to identify and subsequently benefit from untapped enterprise capability within their organisations.
- Examining the feasibility of establishing a network of young people's enterprise organisations in order to galvanise the drive behind a culture for enterprise.
- Considering the establishment a cohort of young Enterprise Associates and enable them to develop their own Enterprise Associates programme, to support enterprise activity in schools and colleges. This could be managed through the LEP Steering Group, whose review of local priorities would provide steer to this group and their work with schools and the Third Sector.



## Case Study 3: Creating a Pathway of Enterprise Education and Awareness

## New Business New Life



Pictured: New Business New Life Show

New Business New Life (NBNL) was launched by *emda* in 2003 at Castle Donington, where over 4,000 thousand people attended a personal Enterprise Show to find out more about turning their ideas of running a business into reality.

The campaign then continued and developed under guidance from *emda* and strong involvement from Business Link for a further three years.

### WHY AND HOW WE DID IT

In 2006/2007 *emda* piloted the provision of a Universal Start-Up Offer (USO), a key component of the Business Support Strategy. The USO provided all people in the East Midlands who were thinking of starting up a business with access to the same consistent level of information and advice. NBNL was developed alongside this work to provide higher value campaigns with a specific target audience that, *emda* believed, would contribute further to the stimulation of an enterprise culture in the region. These campaigns included a programme of local and mini road show events delivered at the heart of the community and inner city locations.

Over the three years 2007 - 2010 the strategy behind the NBNL campaign focused on creating a visible and addressable pipeline of start-up prospects from all communities that can be encouraged, and signposted to the Regional Business Link Start-Up Service, via a sustained and visible marketing campaign.

The NBNL project represented a coordinated programme of marketing, PR and roadshows designed to raise the awareness of enterprise and entrepreneurship in the region covering:

- A programme of promotional media campaigns i.e. radio, newspapers billboards, buses. etc.
- A programme of PR utilising actual regional case studies and stories from successful entrepreneurs.
- Five county level shows per year together with a large number of smaller shows in hard-to-reach areas and communities.

- Integration of the regional campaign with the outreach planned by the regional Business Link.
- Website development linking the NBNL site to the Business Link site; updating the look and feel.
- An enhanced regional start-up information pack and integrated response handling service utilising the regional Business Link provider.

## IMPACT

The project had three key objectives as follows:

- Continue to develop a strong culture of enterprise and create a climate within which entrepreneurs can flourish.
- Coordinate start-up outreach across the Business Start Up network partners, supporting the simplification agenda.
- Engage with 9,000 potential entrepreneurs with 4,000 referrals to the Business Link service.

All aims and objectives for the project were achieved over the contractual period.

The project brought together all the major start-up activity in the region, (including, women, disabilities, BAME and hard-to-reach communities) under one branded and target campaign. This had previously not been delivered and/or coordinated before in the East Midlands.

## KEY LEARNING POINTS

The key learning points from the programme were:

- Successful engagement with Local Authorities, especially at district level, is very important to the success of start-up activities. Second tier and Unitary LAs have traditionally been very supportive of the start up agenda and, previously, had developed many of their own programmes. Combining activity and funding under one brand reduced confusion in the market place and led to high levels of awareness of the service. It also achieved greater impact and value for money.
- Careful consideration needs to be given to the procurement process to avoid crowding out the majority of private sector start-up support providers who tend to operate on a smaller scale. Their role in promoting enterprise needs to be carefully considered.

- Engaging non-traditional pre-start customers requires local engagement through a range of community groups and intermediaries. Using a single service definition significantly reduced inconsistencies and supported improvements in delivery across the whole region.

## POTENTIAL FOR FUTURE DEVELOPMENT

Encouraging potential entrepreneurs to start up and grow a new business remains a priority for the Coalition Government. Much of the future support for these potential entrepreneurs will now be only be available on-line or from voluntary private sector mentors and private sector service providers, particularly once the regional Business Link services are disbanded. This will significantly reduce the opportunities to promote enterprise collectively to a large audience and provide “hands on” encouragement to support this.

The developing Local Enterprise Partnerships (LEPs) may well be encouraged to step into the “gaps” created by these changes, working to further influence the role of local authorities in this agenda. This is a positive step if achievable. However, the hard learned lessons regarding the support and promotion of the start up agenda, if reviewed, could help to ensure that the activities undertaken continue to have real impact and offer value for money.



## Case Study 4: Developing Entrepreneurial Skills

### Entrepreneurship Scholarship



The Global Entrepreneurial Monitor (GEM) produces regular reports showing the level of enterprise in the UK and highlights areas where the business birth rates are lower than average.

To address particularly low levels of enterprise in disadvantaged areas, the Department for Employment and Skills (DfES) developed a national scheme 'The New Entrepreneur Scholarship' programme which provided grants alongside intensive business support for individuals who wished to start their own business but who faced multiple barriers.

The aims of the programme were to:

- Enhance the employment prospects, education and skills of local people, particularly those at a disadvantage.
- Encourage sustainable economic growth and wealth creation by improving the competitiveness of the local economy and providing support for new businesses.
- Address social exclusion and enhance opportunities for the disadvantaged.

In 2001, Nottingham Business Venture (NBV), the University of Nottingham and the Princes Trust were successful in securing the regional contract.

#### WHY AND HOW WE DID IT

After the first year's pilot funded by the DfES, NBV sought sub regional funding and GNP provided £800,000 Single Programme funding from 2003 to 2007 to enable the programme to target disadvantaged areas of Nottingham where the business birth rate was 12% below the UK average.

The scheme consisted of a structured learning programme which, once completed, enabled beneficiaries to access the financial support. The Scholarship was designed to target individuals who would not normally engage with mainstream business support. The 16 week course, tailored to the individual, covered the following subjects: marketing, sales, financial planning, book keeping and credit control, one-to-one mentoring, website development, group/networking events, assertiveness techniques, confidence building, numeracy and literacy support.

Each participant left the programme with business start-up skills and expertise, a certificate of achievement and a grant for up to £2,000 to purchase equipment and services for their new business.

## IMPACT

The success of the GNP scheme encouraged other SSPs to fund the programme in their area. Leicester Shire Economic Partnership (LSEP) and Northamptonshire Enterprises Ltd (NEL) provided £150,000 and £210,000 respectively.

The tasking framework outputs from the three sub-regional programmes run in Nottingham, Leicestershire and Northamptonshire were:

- **189 new businesses created;**
- **132 jobs created; and**
- **277 individuals improved their skills.**

## KEY LEARNING POINTS

Nationally, the programme was deemed an overall success and led to a recognition that, with intensive support and financial assistance, people from disadvantaged areas could start up a business. An evaluation of the programme undertaken by Manchester Metropolitan University Business School showed that the majority of participants had either already established their businesses or in the process of setting one up. The importance and quality of the mentors was highlighted as a key factor for success and few participants were deemed economically inactive following their involvement in the programme.

These findings were reflected in the Nottinghamshire programmes. However, an external evaluation of the Leicestershire programme showed that the expectation placed on individuals with multiple barriers to be able to sustain a business over a period of time was considerable and targets were deemed to be over ambitious. Of the 43 starters, only 17 were still trading after 1 year and 13 remained at the formative stage of their business planning.

## POTENTIAL FOR FUTURE DEVELOPMENT

The Leicestershire evaluation made two specific recommendations, namely:

- Continue to build successful business-to-business networks enabling start-ups to share issues and lessons learned with others thus helping to form strong business relationships and opportunities
- Develop a robust tracking system to monitor business performance and survival rates over at regular intervals.

The new Enterprise Allowance programme which has just been launched by the Government replicates many of the objectives of the Enterprise Scholarship programme. The lessons regarding overambitious targets should be incorporated in this new scheme.

## Case Study 5: Developing Entrepreneurial Skills

### Enterprising Youth



Pictured: Bedroom Britain campaign launched by Wayne Hemmingsway

In December 2004, as part of the Enterprising Youth “Star Prize”, *emda* awarded The Prince’s Trust a contract to support youth enterprise in the region. This was linked to the national Start-Up with the Prince’s Trust Programme.

Star Prizes were developed by *emda* as a mechanism for providing strategic leadership for an agenda where an economic “vacuum” existed previously and where further potential economic benefit could be realised with intensive activity. The overall objective of the Star Prize was to support 1,000 new start-up businesses.

In January 2009, *emda* strengthened its partnership with the Trust by agreeing to a further programme of start up activity delivered by them. *emda* aligned the delivery of the Trust’s programme to the new Solutions for Business product Intensive Start Up Support (ISUS) at the same time.

#### WHY AND HOW WE DID IT

The Prince’s Trust estimated that youth unemployment costs the UK economy c£10m per day in lost productivity, and youth crime costs c£1bn each year. The Trust attempts to address these challenges by giving practical and financial support to the young people who need it the most. It is promoted as the principal instrument for promoting and supporting business creation within young people aged 18-30. It is estimated that there are c. 700,000 people aged 18-30 in the East Midlands.

In December 2004, *emda* invested £2.5m of Single Programme funding (over four years), this in turn levered an additional £5.4m of European and Prince’s Trust Legacy funding, resulting in an overall funding package of £7.9m. In January 2009, when the original programme was coming to an end, *emda* approved a further investment of £3m Single Programme funding over five years, this in turn levered an additional £1.8m European funds. Due to the abolition of the RDAs, it is unlikely that this five year funding will be defrayed completely.

The programme in the East Midlands supports disadvantaged youth through a range of mechanisms, including:

- Marketing and outreach activities making business start up a viable option for young people
- Business planning support
- Business skills training
- On going mentor support (for a minimum of two years for each new business)
- Supporting access to finance through the continued deployment of Prince's Trust loans.

## IMPACT

The initial challenge was to support 1,000 start-up businesses over a period of four years, and by 2008, this investment had generated 1,050 new businesses from the Prince's Trust target market of 18-30 year olds who are disadvantaged in some way. The project has also supported the creation of over 1,100 new jobs.

Over 500 of the 1,050 new businesses are directly attributable to *emda* funding, and this project and our work with the Trust has received much national acclaim, due to it being the largest programme of its kind in the country.

The evaluation of the programme demonstrated the wide range of businesses started with some concentration around the retail (textiles and food) and creative industries.

The 2009 project targeted the creation of 727 new businesses and the creation of 945 new jobs, although due to the imminent closure of *emda* we anticipate that 270 businesses and 530 jobs will be created.

Typical examples of their work include:

- **Colour Creations (Lincoln)**

"The Prince's Trust help was invaluable in helping me to set up my business. They saw the long term potential in what I wanted to do." – Shay Stephenson.

The Prince's Trust helped Shay to set up in business in 2007 through a loan, grant, and assistance with business planning. This paid for some refurbishment work, website design and the development of a marketing strategy. She also has a volunteer business mentor.

- **Esprit Automation Ltd**

"The Prince's Trust backed our idea from the outset and they were the catalyst that brought in other backers. We might not have started without The Trust." – Geoff Smith.



## KEY LEARNING POINTS

Prior to *emda's* work with the Prince's Trust on youth enterprise, young disadvantaged people rarely accessed support through mainstream, traditional methods (e.g. Business Link). Our work with the Trust has enabled *emda* to access this market place, with clients being slowly introduced to the benefits of accessing mainstream support, and finally being referred to Business Link at the end of their programme.

Review of the programme to date has suggested that:

- The Prince's Trust could further consider identifying and establishing working arrangements at a local level with potential referral and funding agencies (e.g. Local Authorities, Banks, CDFIs)
- There is scope to explore the possibility of providing accredited Mentor training
- There is scope to explore the possibility of developing more specific locally based marketing material.

## POTENTIAL FOR FUTURE DEVELOPMENT

Despite the risks posed by the withdrawal of RDA funding, the Princes Trust aims to continue to support disadvantaged youth in the East Midlands, although on a smaller scale. Working with other key partners, The Prince's Trust and specifically the Intensive Start-Up Support programme could play an important part in developing the enterprise theme of future LEP strategies, particularly with regard to engaging the more "hard to reach" and younger groups.

## Case Study 6: Developing Entrepreneurial Skills

### Flying Start – Business Start Up to Undergraduates



Pictured: Flying Start workshop

The project set out to work closely with the National Council for Graduate Entrepreneurship (NCGE), whose remit is to raise awareness among undergraduates and recent graduates about entrepreneurship and the benefits of starting a business.

The Flying Start project operated in the East Midlands between 2008 and 2010; providing practical support to these groups and enabling students to acquire and develop entrepreneurial skills and consider starting new businesses.

#### WHY AND HOW WE DID IT

A DTI Small Business Service household survey indicated that only 8.5% of UK graduates aged 35 and under are seriously thinking of starting a business. This research prompted *emda*, in partnership with NCGE, to deliver the Business Start Up to Undergraduates programme.

The project delivered six inspirational and motivational rallies to undergraduates; these one-day sub-regional rallies were held on university campuses and aimed to inspire, inform and develop the ideas of the students who as a result expressed an interest in self-employment or starting a business.

The students received additional support through a virtual mentoring community, Flying Start Online. This aimed to underpin the projects activity by providing the business starts with a mechanism to access expert support in marketing, promoting, registering, researching and mentoring.

The project looked to:

- Raise awareness about the career option of starting a business.
- Increase the number of sustainable graduate businesses starting up in the region.
- Support the growth and development of graduate businesses.
- Convert 66% of attendees into businesses within 12-months.

## IMPACT

- 1,528 People were assisted with their skills development
- 19 New Businesses were created
- 26 Businesses demonstrated growth post 12 months.

The project had a significant impact on the undergraduates attending the workshops. Data collected from the Nottingham workshop shows that 89% of students who attended reported that the workshop had encouraged them to start a business.

## KEY LEARNING POINTS

NCGE and *emda* commissioned an evaluation of the programme. The report identified two key lessons relevant to the programme in the East Midlands:

The role and responsibilities of both mentors and mentees needed to be reinforced the need to review the scope for providing greater support to interested parties at these events.

## POTENTIAL FOR FUTURE DEVELOPMENT

*emda*'s direct involvement in the programme ceased in March 2010. However, NGCE reported a lasting legacy which has helped them to:

- Develop and deliver in conjunction with the region's Universities, a suite of new workshops.
- Gain a better understanding of students' interest in entrepreneurship, and the types of support required.
- Collaborate with the region's universities in marketing the programme through their own student networks and formalising links with the universities own enterprise activities.



## Case Study 7: Developing Entrepreneurial Skills

### Enterprise Inc.



Pictured: Students in Derby.

With an objective to develop enterprise skills in undergraduates, the Enterprise Inc. project provides an enterprise development alternative to the traditional student placement, inspiring more undergraduates in the region to consider self employment as a viable option.

The project will continue to run until September 2011 and supports students, graduates and academics through an enterprise development placement programme that enables them to develop their own business ideas and become self employed during a placement year, a masters year or alongside study.

#### WHY AND HOW WE DID IT

As part of their national and regional research, the National Council for Graduate Entrepreneurship (NCGE) found that only 17% of East Midlands students (at University level) were engaged in “enterprise” as part of their studies and of those that did engage less than 20% were engaged as part of their curriculum.

The project sought to raise the enterprise skill levels of 500 placement students, graduates and academics, through encouraging the creation of vibrant, dynamic and successful enterprises from within the region’s Higher Education community. Over a three year period the project has focused on the development of the students’ entrepreneurial skills by providing financial support, by way of bursary, as well as generic and tailored business support to each participant. This includes personal mentoring and coaching, one to one training, group training, consultancy and signposting to other services via Business Link.

The project is delivered through each of the nine participating regional universities, including; De Montfort University, University of Lincoln, Loughborough University, University of Leicester, University of Derby, Bishop Grosseteste University College, University of Northampton, Nottingham Trent University, and The University of Nottingham.

## IMPACT

This project will continue up to September 2011, and by this time the project will have:

- **Assisted 400 businesses to improve performance.**
- **Created 235 new jobs.**

## KEY LEARNING POINTS

The programme has generally been well received, albeit it has not been fully evaluated as yet. Having reviewed the impact of the programme to date, it has been recognised that the project could be better targeted at recent graduates or 'near' graduates.

## POTENTIAL FOR FUTURE DEVELOPMENT

*emda's* links to NCGE will cease with the closure of the agency. However, NCGE is likely to continue, albeit in a revised form. Our work will allow them to learn from this activity and adapt their approaches going forward.



## Case Study 8: Developing Entrepreneurial Skills

### Business Champions



Picture: Business Champions at NBNL

Business Champions are regional, national and international ambassadors for the East Midlands. They were established in 2000 as an elite 'taskforce' working alongside *emda* to energise the region, acting as a conduit for the voice of business to *emda*.

This activity demonstrated the use of an innovative approach to stimulate the involvement of the private sector in supporting the aims of the Regional Economic Strategy. The Champions are a powerful route for engaging with the business community in support of the region. They also represent an excellent opportunity for creating links between the private and public sector.

#### WHY AND HOW WE DID IT

Business Champions act as mentors to new enterprises and to potential entrepreneurs. They provide commercial expertise to the wider community, including the voluntary and educational sectors, and support projects and initiatives where a commercial perspective is needed.

Over 350 Business Champions volunteer their time and expertise to help develop the support *emda*-backed initiatives and those from other organisations with a regional perspective, such as the Prince's Trust and the Manufacturing Advisory Service. The individuals are matched with and support a range of activities according to their expertise, interests and time commitments.

Since its inception in 2000, the Business Champions initiative has matured and along with this our objectives have also changed and developed. In the early days, focus was on building a sufficient pool of Champions to advise both *emda* and other organisations. We then moved on to ensuring the quality and performance of Champions, whilst maintaining a strong alignment with *emda*'s priorities through four themes: young enterprise, innovation, social enterprise and the environment. In the ambassadorial role on behalf of the region, the programme concentrated on developing even stronger links between business and universities.

*emda*'s role was to facilitate the engagement of mentors and their client base. We funded the creation of the network that recruited and supported them. *emda* also generated and brokered opportunities for Business Champions and quality assured their work to ensure maximum benefit to the client.

## IMPACT

Through the Business Champions initiative senior business figures have added value to the development of the Regional Economic Strategy (RES) as well as supporting organisations and communities throughout the region by sharing their knowledge and expertise.

The main impacts of Business Champions have been, and continue to be, as follows:

- **Raising the profile of the East Midlands at local, national and international levels and stepping up the local economy.**  
Business Champions uses boardroom lunches, attendance at conferences and a series of master classes focusing on specific areas of ambassadorial activity to further prepare Champions to sell the strengths of the region. A large number of Champions trade and travel around the globe, ideally positioning them to encourage and educate investors and foreign partners on the strengths of the East Midlands.
- **Inspiring innovation by developing the links between business and universities to stimulate awareness and understanding.**  
Through concept proofing workshops and mentoring within incubation units, Champions have supported the development of applications. They have encouraged business to bring institutions, provided input and curriculum development, and helped shape the regional innovation strategy. All the region's universities have benefited from this.
- **Providing an essential link to the business world for educational institutions.**  
Business Champions help guide school, college and university students into jobs and enterprising behaviour by supporting career development activity, hosting workshops, and providing mentoring support, recruitment and marketing advice. They also provide strategic directions for organisations that make the link between young people and the world of work.
- **Stimulating enterprise in the East Midlands.**  
Many of our Champions provide mentoring support to new and growing businesses. Others shape strategy, helping to set the region's priorities to ensure sustained business growth and a healthy economy. Young people through the Prince's Trust, entrepreneurs through the New Business New Life campaign (2205 and 2008) and individual companies seeing knowledge based on experience have all benefited from being paired with Business Champions.
- **Supporting sustainability and helping communities to create self-sufficient solutions to local problems and challenges to applying enterprise techniques.**  
Through both mentoring and strategic support, Business Champions make a real difference to social enterprises and community projects in disadvantaged areas and the region's charities.

## KEY LEARNING POINTS

Activities of Business Champions have proved to be truly far-reaching in support of the RES. The initiative continues to be a valuable tool in providing support and input across the aspects of our work, both operationally and strategically.

Due to the unique nature of the initiative and the breadth of the Champions' input, when the initial Business Champions contract came to an end in 2005, *emda* found it difficult to undertake a quantitative analysis of the initiative's success. For mentoring schemes like this, the measures of success need to be developed from the outset and the volunteers encouraged to record their input and impact. The evaluation did highlight strong support from organisations and individuals who had used the service. The *emda* Board supported the continuation of the programmes but agreed that the programme should be given more focus and direction to increase its impact. There was also a need to re-align it with the increasingly defined business support activities.

The next contract aimed to ensure that the Champions work was targeted public and third sector organisations requiring commercial support. The Champions were not expected to directly support businesses, this being undertaken by Business Link and the intensive mentoring and coaching programmes for established businesses. Some Champions chose to become formal Business Support mentors and coaches at this stage and were provided with formal training and qualifications. The evaluation in 2009 of this second phase of the Business Champions demonstrated continued successful working. Over 401 opportunities over a three year period with client organisations had been supported with a high satisfaction rate of 86-95%. It has been proven to be hard to gain significant direct economic impact from this work as the organisations targeted tended not to have identified actual costs of undertaking such work, rather using Champions in an understandably opportunistic manner. The cost benefit of managing the programme was judged to be 1:1.6, a positive return compared to other more targeted programmes which had a greater focus on economic return.

To maintain the success of the programme, *emda* looked to continue it in conjunction with a partner who had an infrastructure that could share the cost. In 2009, *emda* contracted with Business in the Community (BITC) to deliver the programme to date. BITC already had a core volunteering network, mainly from corporate companies based in the East Midlands, and were looking to widen the scope of their work. They also demonstrated a real understanding of the benefits to businesses of being involved in such a project. The revised project allowed a "win-win", solution with *emda* maintaining the impact of its programme but at a reduced administrative cost. Over 74 matches for Business Champions have been achieved in one year delivering over 5,500 hours of support, estimated by the receiving organisations to be equivalent to over £419,000 worth of Champions' time.

In summary, Business Champions has shown the value to volunteer mentoring to the Enterprise agenda. It can provide a truly rewarding outcome for both the volunteer and the client, and at relatively little cost to the latter. However, we have learnt that to ensure effective working, a structure to manage this volunteering activity is required. This ensures



that both the Champion and the client have necessary support to ensure maximum benefit is achieved. Without this structured network, with the associated inherent oncoming costs, volunteers are likely to lose interest and clients may receive support of varying quality and appropriateness.

## POTENTIAL FOR FUTURE DEVELOPMENT

The initiative continues to provide support although its funding from *emda* comes to the end shortly. Volunteer mentoring remains a key priority for the Coalition government. There is much learning from the use of Business Champions to promote enterprise behaviour to help sculpt these future initiatives.

Discussions are currently underway with BITC to establish whether the Business Champions model can be adopted by that organisation nationally and continued regionally beyond *emda*'s funding. Because of the natural alignment of the BITC agenda with the programme *emda* is keen to see the Business Champions continue to make a real difference to the East Midlands. BITC is looking to continue the programme to use the current pool of Business Champions to support existing requests for help across the third sector and education organisations, subject to *emda* releasing the IPR on the programme.



## Case Study 9: Providing Support that is Inclusive to all Communities

### Promoting the Business Case for Diversity



Pictured: Women in Business

*emda's* research has shown that improving the management of employee diversity in the workplace is seen as a productive way to enable businesses to fully develop the potential of each employee; utilising the different sets of skills that each employee brings into a business.

Having a diverse workforce not only enables organisations to understand and meet customer demand better, but also helps attract investors and clients, as well as reduce the potential costs associated with employee discrimination.

#### WHY AND HOW WE DID IT

With proposed changes to the Equalities legislation in 2009, *emda* wanted to proactively engage with businesses across the region to embed the principles of equality and diversity and promote a holistic approach to managing diversity in the work place.

*emda* commissioned a study which explored:

- **The scoping out of the Business Case.** This included what we meant by diversity at work and the benefits of employing a diverse workforce. This part of the study concentrated on the 'business case' rationale e.g. enhanced employee performance and supplying to a diverse customer base etc;
- ***emda's* role.** This element of the study looked to determine the business case for *emda* to lead in promoting diversity at work and what our role should be in working with businesses across the region to establish good practice guidance on diversity.
- **The Moral Case.** This section explored the links between diversity and the underlying principles of fairness and equality to personal and business values for businesses across the region; be they public, private or third sector businesses.

The final report '**Your Bottom Line – Business Case for Diversity**' was published in June 2010 for wider dissemination.

## IMPACT

The impact of this critical piece of work has yet to be explored as at the time of publication the RDA network formally learned it was to be abolished and so active dissemination and implementation into the Business Support programme was put on hold. However, the study provided a valuable legacy for future policy makers in this area and is a good example of the regional policy leadership adopted by *emda* in this area.

## KEY LEARNING POINTS

The 'Business Case for Diversity' argues that diversity policies make good business sense. Managing diversity is increasingly part of the private sector's strategic response to a more diversified society, customer base, market structure, and workforce. Many public sector businesses and some third sector businesses also recognise these benefits, given that they are operating within the same "multi-cultural and global contexts.

The study showed that:

- Businesses should not miss out on opportunities to improve their bottom line and increase competitive advantage because of equality and diversity issues;
- Businesses that work to ensure equal opportunities for all in recruitment, promotion, employee engagement, supplier procurement, product and service design, customer outreach and marketing, and strategic planning are more likely to do better than those businesses that do not;
- Failure to do so can lead to direct and indirect costs, while success on these issues can help to ensure direct and indirect benefits.

The study showed that businesses that adopt diversity agendas have been proven to attract, recruit and retain the best talent, foster the conditions for creativity and innovation, attract customers and access new markets, encourage supplier competition and quality, and deal more confidently with the challenges of social and cultural change in local, regional, and global markets. They have also avoided legal problems and fees, unfilled posts, high employee turnover, and stagnated customer and market growth.



## POTENTIAL FOR FUTURE DEVELOPMENT

The Business Case for Diversity study showed how businesses in the private, public, and third sectors can improve their bottom lines and increase competitive advantage. For private sector business this means improved profit and profitability, for public sector businesses improved customer and community service and outcomes, and for third sector businesses improved community or issue representation.

Key recommendations from the main report included the following proposals:

- Developing a **Diversity Intelligence Management Service** to ensure that East Midlands' businesses can obtain live data on the costs and benefits of diversity in the region, the regional diversity profile, and the value of the 'Diversity Pound'.
- Influencing **Business Support Agencies** to establish a more sophisticated and proactive engagement with the Business Case through a revamp of promotional activities and support services through the development of Diversity Business Incubators.
- Influencing **Public Sector** businesses to engage more fully with their Equality Duties by ensuring the creation of more sophisticated Equality Schemes that focus on measurable objectives and targets.



## Case Study 10 : Providing Support that is Inclusive to all Communities

### Playing a Leading Role on the National Women's Enterprise and Ethnic Minority Business Taskforces



Enterprise creation and development is a critical component of economic development. However, it is important to note that there can be limits to the deployment of entrepreneurship-orientated strategies and that the distribution of these benefits may not favour those that are the vulnerable or that have little access to mainstream activity.

Government policy makers have wrestled with this challenge for last decade; aiming to find the right balance between directly targeted activities for under-represented communities and the need to ensure that mainstream enterprise promotion activities engage sufficiently with these groups.

*emda*, through virtue of having the RDA Enterprise lead role as well as having a very diverse region where the economic contribution of various groups was mixed, has sought to proactively address this challenge regionally and provide input into the national policy areas. We have majored on the Women and Ethnic Minority enterprise agenda as both groups have distinctive characteristics that, if not accounted for, potentially reduce the level of economic contribution that can be made to regional economies.

*emda*'s contribution to the Women's agenda has been led by Valerie Dwyer and, latterly, Tricia Pedlar. Tricia was a member of the recent national Women's Enterprise task force. Similarly, Parvin Ali has been a champion for Ethnic Minority enterprise, as part of her wider Enterprise lead role, and a member of the recent national Ethnic Minority Business task force.

#### WHY AND HOW WE DID IT

The key focus of the agency's work on these task forces was to ensure that the policy thinking, strategic trends and influencing of the agenda was aligned to our regional direction and that the voice of East Midlands businesses was heard at a national forum level.

## Women's Enterprise

Following the agreement of the then Prime Minister, the Women's Enterprise Task Force (WETF) was established in 2006 as an ad-hoc advisory body for a period of up to three years, with a remit and structure agreed by Margaret Hodge, then Minister of State for Industry and the Regions. It was to advise Government on practical steps to accelerate the start-up and growth rates of women's businesses in the UK through identifying barriers and solutions to more women starting and growing their business and lobbying to raise the profile of the women's enterprise agenda.

The WETF brought together representatives from the public, private and voluntary sectors and was led by co-chairs, providing both business and delivery expertise – Glenda Stone, CEO, Aurora, and Pam Alexander, CEO, South East Development Agency (SEEDA). *emda* had consistent presence on this group though board members being engaged to deliver knowledge capital and real life experience.

Five pillars were established that underpinned the elements needed to work towards the goal:

- **Pillar One:** Better Analysis, Better Understanding
- **Pillar Two:** Enabling More Women To Join The Enterprise Economy
- **Pillar Three:** Driving High Growth
- **Pillar Four:** Business Readiness For Public Procurement
- **Pillar Five:** Keeping Up The Momentum.



## Ethnic Minorities

In June 2007, the Minister of State for Industry and the Regions, Margaret Hodge, established the Ethnic Minority Business Task Force (EMBTF). The Task Force was established for a two year period as a strategic influencing body to inform government policy and progress the Black, Asian and Minority Ethnic (BAME) business agenda, with a view to increasing ethnic minority participation in enterprise, particularly amongst under-represented groups.

The EMBTF was chaired by leads that were external to central Government – Adeeba Malik MBE (Deputy Chief Executive, QED-UK) and Tom Riordan (CEO Yorkshire Forward), with James Caan (CEO, Hamilton Bradshaw) replacing Adeeba Malik in January 2009.

The thirteen board members of the EMBTF comprised a variety of private and public sector business expertise, including representation by Parvin Ali, board lead for Enterprise from *emda*. BIS also held a watching brief on the Task Force.

With a focus on access to finance, procurement and business support, the key objectives of the EMBTF were to:

- **Serve as a strategic influencing body;**
- **Influence the supplier diversity of public and private sector procurement;**
- **Influence practice of financial and other support institutions in relation to access to finance for ethnic minority businesses.**

The EMBTF looked in detail at the causes impacting on the under-representation and growth potential of BAME business. It took evidence from a wide range of stakeholders and commissioned a number of research reports to further enhance the understanding of academic work on BAME enterprise.

Yorkshire Forward were the original lead on the EMBTF as they held the RDA lead role for diversity. This was passed to *emda* in line with the re-organisation of the lead role portfolio in the RDA family. The role *emda* played within the EMBTF was to offer a strategic lead and to bring the RDA delivery perspective to the discussions.



## IMPACT

### Women

The WETF final report 'Greater Return On Women's Enterprise' (GROWE) contains 15 recommendations that fit under the 5 pillars and are outlined below:

#### **Pillar One: Better Analysis, Better Understanding**

To address the current gaps in our knowledge:

- Companies House and HMRC to add tick-boxes to VAT Return and Annual Returns forms to capture disaggregated women-owned and ethnic minority-owned company data.
- The Equality and Human Rights Commission (EHRC) to use the Gender Equality Duty to enforce the gender disaggregation of all publicly-funded businesses and enterprise data and research.
- A public-private partnership to come together to establish a women's enterprise research centre that will coordinate and disseminate learning.

#### **Pillar Two: Enabling More Women To Join The Enterprise Economy**

To encourage more women to start and grow businesses:

- Business Link to further raise the level of participation of women-owned businesses and engage more female customers, and UK Trade & Investment to encourage more women to trade overseas by raising awareness amongst women of the opportunities on offer and the support available.
- Enterprise UK to build the capacity of the Women's Enterprise Ambassadors and enhance female online communities.
- At least one Advisor in each JobCentre Plus to be trained to promote self-employment to women as a route off benefits.

#### **Pillar Three: Driving High Growth**

To improve the environment for growth finance:

- BIS to set up an accreditation standard for expert investment intermediaries to bridge women entrepreneurs to sources of growth finance.
- Government's Enterprise Finance Guarantee and its new £1 billion Innovation Investment Fund to contain a commitment to diversity, including collecting gender-disaggregated data.
- The Aspire women's co-investment Fund to be privately managed through independent tender, assessed for impact and reinforced.
- BIS to encourage more high net worth women to become business angels and, with Business Link, to raise awareness of the benefits for small businesses of accessing business angel investment.



## Pillar Four: Business Readiness For Public Procurement

To open up access to public contracts:

- Fully implement the Glover recommendations.
- CompeteFor (the procurement portal developed by RDAs for 2012) to be used as a model for the new single access portal for public sector procurement.
- Link business support to finance and procurement opportunities.

## Pillar Five: Keeping Up The Momentum

To maintain the currently high profile for this area and provide a focal point for action:

- Business membership organisations to work together to establish a UK panel of women entrepreneurs to identify ways to deliver growth. Government to use this forum as a valuable source of business and enterprise expertise.
- Women's Enterprise to retain membership of the Small Business Forum and Finance Forum.

A number of recommendations have been taken forward by BIS. These include the implementation of the Equality Act 2010, the Women's Ambassadors project being developed in the regions, the further development of the Aspire Co-Investment fund that is managed by Capital for Enterprise, further work being done to support the Glover recommendations and the establishment of a private sector-led Women's Enterprise Forum. Microsoft has been leading this development and is hosting these quarterly forums.

## Ethnic Minority

The EMBTF offered 9 recommendations in the final report to BIS 'The Economic Case for Investment in Ethnic Minority Business: Final Report', which was issued on 16th July 2009. They were:

- **National Policy Leadership for BAME Businesses** - The proposal aimed to provide ethnic minority business with the national profile, resource and supporting infrastructure to enable Government, RDAs, Local Authorities and Business Links to better coordinate policy and realise growth potential. This recommendation resulted in the establishment of the Ethnic Minority Business Advocacy Network (EMBAN), lead by *emda* (**Case Study 15**).
- **Enterprise Coaches** - This proposal sought to ensure that appropriate enterprise coaches are universally available and offering a consistently delivered form of business support for the BAME community. This recommendation was welcomed but the responsibility for ensuring the delivery of suitable Enterprise Coaches was devolved to the regional deliverer – either the RDA or Business Link in line with the needs of their regions.
- **Enterprise and Finance** - This proposal aimed to tackle clear market failures that are constraining growth in the BAME business base related to access to finance and investment readiness. The response to this recommendation was that the

Government would continue to support the use of the Business Link channels to improve access to services and would also work with the banking sector to tackle inconsistency of access.

- **Business Collaboration Networks** - This proposal sought to ensure that funding is universally available for intermediaries to establish and operate business collaboration networks targeted at BAME businesses. BIS recognised that Business Collaboration Networks could be set up to support BAME businesses work collaboratively. It was left for the appropriate funding body to determine whether to establish and operate Business Collaboration Networks that would target a specific network.
- **Upskilling Providers** - This proposal aimed ensure that those providing support and advice to businesses, via the business support network or the delivery of publicly funded products and services, have the requisite competencies and understanding of BAME businesses. The Government felt it was up to individual RDAs to determine how best to ensure that they and their partners have the accredited skills training for services necessary to their delivery.
- **Public Sector Supplier Diversity** - This proposal aimed to drive forward the adoption of best practice in supplier diversity at the three tiers of the public sector: Local Authorities; Regional Development Agencies and Central Government. The Government recognised that many SME firms, including BAME businesses, found it difficult to supply the public sector.
- **Private Sector Supplier Diversity** - The proposal sought to increase interaction between major UK-based corporations and BAME businesses. The Government cited a variety of activity that was underpinning their commitment to wider Supplier Diversity including 'Diversity Work for London' and its strong connections with Minority Supplier Development-UK (MSD-UK) to engage with retailers, suppliers and supply organisations (**Case Study 14**).
- **High Growth Markets** - This proposal supported the development of a structured, intensive high growth support program and coaching scheme. In order to support this finding, the Government concentrated on the regional High Growth opportunities that most RDAs already have within their portfolio and linked it to international trade openings.
- **Born Global** - This proposal sought to develop specific support and engagement programmes that link Ethnic Minority Undergraduates with international enterprise education programmes as well as proactively engage them with existing provision. There is a specific emphasis on growth opportunities in China and India. The Government outlined its support for a number of enterprise programmes and initiatives that have international elements targeted at young people and students that are designed to be inclusive and to embrace differences in gender, ethnicity, language, religion, culture, special educational needs and disabilities. These included NGCE Flying Start, Global Entrepreneurship Week and Enterprise UK.

## KEY LEARNING POINTS

Neither of the Task Forces has been subject to formal evaluation. The final reports from them would stand as key outputs, although both also undertook a variety of research projects.

The reason for setting up these groups was to offer guidance to BIS and wider Government partners on two key areas of potential economic growth. The underpinning reasons for engaging with women and ethnic minorities make a sensible economic argument, and whilst these Task Forces were established to shape and influence thinking, it does demonstrate that there is a need for specific targeted activity where the mainstream thinking needs development.

Underlying the findings from both final reports, it is clear that mainstream business support and enterprise development reach all sectors of our communities including women and ethnic minorities, but that market failure does exist and required 'topping up' of support and services. The thinking from the Task Forces, led and guided by *emda*, provides a pathway for these 'top ups' over the coming years to increase the economic contributions of both communities.

## POTENTIAL FOR FUTURE DEVELOPMENT

The Government appears to be focusing on mainstreaming and paring back of services so future developments would seem to be limited. However, as it is unlikely that the economic landscape will change drastically from that found today, the messages, lessons and recommendations from the two final reports will hold valid elements for some time to come. These can then be picked up once the wider economic climate supports investment in targeted interventions.

Outside of this, current and future deliverers should take note of the recommendations when reviewing and establishing future programmes of support as the knowledge contained within the reports will be relevant as thinking points.



## Case Study 11 : Providing Support that is Inclusive to all Communities

### Women's Ambassadors Network



Pictured: Women in Business event

In 2007, the then Government announced its wish to recruit a 1,000 strong network of inspirational women entrepreneurs to help and inspire more women to set up their own businesses.

'Ambassadors' were envisioned as people already inspiring women to start businesses. These would be people already talking to people about enterprise, writing articles in local newspapers about their experiences, talking to young people in schools, setting up peer support networks, mentoring others in business, providing training programmes for female entrepreneurs or potential female entrepreneurs.

These could be male or female (men are often cited as the 'role model' who helped a woman to go into business), they may own their own business, they may run a successful organisation, they may be community development workers, or they may advise women on starting or growing a business.

#### WHY AND HOW WE DID IT

Each RDA was tasked with the recruitment of 100 'ambassadors' in their region to reach the target of 1,000 network members.

*emda* recruited more than 100 ambassadors and provided them with opportunities to contribute to the women's enterprise agenda. The cost of the project was £26,000 over two and a half years.

The network was nominally managed by Make Your Mark! (formally Enterprise Insight) at a national level and collated details of all Ambassadors into a national database.

Ambassadors both identified with and strongly supported the programme. A number of mechanisms were employed to achieve this including:

- The use of regular networking events
- The use of the bi-monthly newsletter 'Inspired'
- The tie-ins to the annual Women in Business Conference and the Women of Worth Awards
- The Code of Conduct that all the Ambassadors signed up to
- The use of specific branding.

## IMPACT

Over the lifetime of the project, more than 200 men and women joined the Ambassadors network. They came from all walks of life, spoke in schools to numerous young people, got involved in Young Enterprise, became speakers, represented the region at national events, became a reference group for the agency, established peer networks, found additional market opportunities, and added to both the regional and local economy.

## KEY LEARNING POINTS

In the early stages, the applications for the network were mainly from individuals who looked at the network as another way to promote their own businesses. This led to an imbalance at the events as they clearly hoped they would be able to promote themselves, not the things they could do to support other entrepreneurs. However, it soon settled into a pattern of supporting and developing the dedicated Ambassadors with media training, public speaking and other methods of engagement. This did result in some Ambassadors leaving the network, but the ranks held at the 160 mark fairly consistently throughout.

Stakeholders were all contacted when the network was being developed to ask key questions on what the network could do to support potential entrepreneurs and what could be done to support the Ambassadors themselves. This guided the development of the training offered and also influenced the branding of the network and the use of marketing materials. It also provided a pool of potential speakers for events, workshops and the Women in Business Conference.

## POTENTIAL FOR FUTURE DEVELOPMENT

In line with the agency's forthcoming closure, the Ambassadors themselves have offered to take the network forward, and are using the professional's social network site "Linked In" to promote a network of women's ambassadors in the East Midlands.

Going forward, if the network is to continue, the Ambassadors need to be provided with interesting roles to play or they are likely to become disengaged.



## Case Study 12 : Providing Support that is Inclusive to all Communities

### Women Returners to the Labour Market - Pilot



The previous Government's 10 year strategy 'Choice for Parents, the best start for Children' was announced on 2<sup>nd</sup> December 2004 as part of the Chancellor's Pre Budget Report. It set out its commitment to invest in childcare, early education and work life balance so that families are able to secure the best start in life for their children.

As part of this investment, *emda* agreed to be one of three regions to pilot projects aimed at encouraging women returners back to work by overcoming barriers of affordable, quality and flexible childcare.

#### WHY AND HOW WE DID IT

In September 2005, *emda* commissioned an independent research project to explore the key issues of childcare in the East Midlands. The objectives of the research were to:

- Provide a baseline of information on the availability of childcare provision in the East Midlands;
- Develop a framework for action;
- Provide a range of proposals to support regional and demand-led childcare proposals.

The role of *emda* within this complex environment was suggested by the consultants to be one of strategic influencer, advocate and facilitator. A series of recommendations in the research study were made to *emda* to consider in its development of pilot initiatives around the childcare/women returners agenda. It was through these recommendations that *emda* sought to develop a pilot project in a locality.

This pathfinder project was delivered exclusively in the Welland area by Success Matrix, a Lincolnshire-based Social Enterprise, on behalf of *emda*.

The project comprised three key aims, to:

- Pilot innovative, learning provision targeted at women returners;
- Work with employers to understand their position in relation to flexible working and support their development in this area;
- Provide a detailed evaluation report for this study, making conclusions and recommendations for the future.

The supply-side element of the project focused upon understanding and meeting the development needs of a small sample of women returners, seeking to engage them to their full potential in the local labour market. The core programme was put out to tender and delivered by our training provider partners (Welland Enterprises and New College, Stamford) through two workshops backed up by one-to-one mentoring support. Welland Enterprises focused upon women with higher level skills and New College, Stamford upon women with lower level skills.

The employer element was divided into two parts and primarily delivered by Success Matrix. Communication with employers addressed concerns about perceived bureaucracy and employment legislation. It also set out to tackle negative perceptions relating to women returners and flexible working in the labour market, potential barriers to optimum economic inclusion.

## IMPACT

The small pilot programme engaged with 22 learners. Of these:

- **8 learners secured employment – 37%**
- **2 learners set up their own businesses – 10%**

Of the 40 employers engaged, 12 received one to one diagnostic sessions and personalised support to aid their flexible working developments and 4 high quality case studies were identified and developed to demonstrate innovative employer approaches to flexible working.

The evaluation element of the project investigated existing provision for both women returners and employers in this field. Discussions were held also with a range of local stakeholders to ascertain their perspectives on this issue – for example, Welland SSP and Business Link. The potential for the project to be implemented region-wide was investigated as was its ability to make a real difference in terms of regional economic inclusion and employability.

The key conclusions drawn were:

- There were no specific views held over women returners as being either favourable or not comparable to other potential employee 'groups'
- Women returners often offered better customer service; in being 'open for business' more flexibly and responsively. Businesses often linked this to seasonal or unexpected demands or to being available for customers for longer
- Women returners could often offer reduced absenteeism, especially the enforced absence resulting from childcare or elder-care emergencies
- There was often the ability to align individual and employer needs to produce sustainable work-patterns, optimising retention
- There was an opportunity to reduced overheads, for example due to increased 'home-working'
- Some businesses saw that there was further ability to promote their employer 'brand' to become an 'employer of choice'.

## KEY LEARNING POINTS

The importance of learning programmes for disadvantaged groups that incorporate self-esteem / confidence cannot be overestimated. Without a platform of self-confidence, skills levels can be irrelevant. Workshops combined with one-to-one mentoring support were highly valued by participants.

The challenges of engaging the 'hardest to reach' women returners was a key learning point from this project – creative, community-led, integrative, sustainable initiatives are needed and there must be a recognition that this will take time.

Flexible working approaches vary enormously from employer to employer. This diversity of approach should be encouraged, with employers progressing according to their personal style and their business imperatives.

The most powerful influence on best practice was the presence of a motivated, flexible working champion at a senior level; developing and supporting Champions should be the route to encouraging better employment practice. This positive approach is more likely to be successful than, for example, the negative emphasis of a 'perceived threat' of employment legislation.

## POTENTIAL FUTURE DEVELOPMENT

Future provision needs to be segmented and learner centred, investing for the long-term in groups where women will learn best. This could be within their own community (e.g. on a specific estate) or within a group they identify with (e.g. teenage parents, Armed Forces partners or migrant worker communities).

The importance of tackling low self-esteem / self-confidence cannot be underestimated. Almost every learner on the programme reported these issues as a major barrier. Training packages that build self-confidence will 'open the doors' for individuals to progress.

Early intervention to ensure faster mainstreaming of women into work is critical once self-confidence has been suitably developed. Providing key mentoring support for women returners would ensure that they are able to contribute to both the workforce and the economy in a meaningful and sustainable way.

Finally, any future activities should ensure that economic regeneration, social inclusion and skills stakeholders are made aware of the labour market benefits of flexible working; particularly the potential of flexible working practices to make employment more accessible to oft-excluded groups such as women returners, women with caring responsibilities and older workers, for example.



## Case Study 13 : Providing Support that is Inclusive to all Communities

### Women's Business Support Directory



First launched in 2004, this was a comprehensive directory of business support organisations for the whole of the East Midlands targeted at women's enterprises.

It incorporated case studies of successful, local entrepreneurs, as well as hints and tips to offer guidance for readers. The fifth edition was produced in 2009.

#### WHY AND HOW WE DID IT

The project motivation came from the identified need for coherent sign posting for women who were thinking of starting a business, or were already in business and were looking for additional support. This came about from research done by Prowess in 2003 on the back of the government's Strategic Framework for Women's Enterprise.

Creation of the directory was a significant task, taking many hours of research, data checking and communications time. A total of 35,000 copies of the directory were produced and distributed over the five editions and the directory was available to download from the *emda* website.

#### IMPACT

Women who were featured as case studies anecdotally reported that business had increased and that they received additional media coverage.

The directory was also requested by many business support agencies as a valuable resource for women to take with them after meetings/advisor sessions.

The evaluation of the overarching Women in Enterprise project showed that the directory was well regarded and seen as a key part of work to promote women's enterprise.

## KEY LEARNING POINTS

The structure of the directory, with the use of the reference tables and colour and the case studies of regional business women, made it an easy to use and accessible publication.

It was available as a hard copy and on the website, which increased accessibility. Users also reported that the listing of the local projects and support networks made a confusing picture far clearer and easier to navigate. The East Midlands Directory has been used as a model by a number of other areas including the South West, East of England and the North West.

Outsourcing of the production of the directory resulted in a number of issues, including:

- Mistakes in listings
- Challenges in getting the right theme/tone of the case studies
- Ensuring that the 'right' and current organisations and projects were included
- Getting access to the key people who were quoted in the opening welcome.

Future work of this type would need careful management.

Stakeholders were consulted when the directory was being created to ensure up to date information was included and seek suggestions for improvements. Anecdotal evidence was also gathered from end users of the directory which was both positive and encouraging. It was because of this continued positive feedback, and the numerous requests for an updated version that the directory was continued to its fifth edition – the only one to reach that number of editions across England.

## POTENTIAL FOR FUTURE DEVELOPMENT

There is still considered to be a need for a directory. As time passes, the validity of the current edition will significantly reduce. There is still a market and an appetite for another version of the directory – as evidence from recent requests for an updated edition. The cost of producing a revised edition directory ranged from £18,000 internally managed and £22,000 externally managed.

## Case Study 14 : Providing Support that is Inclusive to all Communities

## Minority Supplier Development UK (MSDUK)



Pictured: MSDUK event

Minority Supplier Development UK (MSDUK) is a private sector led, not-for-profit membership organisation created to provide a direct link between its corporate members and ethnic minority businesses to enable the building of mutually beneficial business relationships.

The first RES, 'Destination 2010' recognised that, "it was insufficient simply to encourage businesses to enter mainstream markets. The challenge is to how to engage some of those very entrepreneurial businesses in new business opportunities arising in expanding market and cluster areas, thus providing a real opportunity for sustainable business development and inclusion in the East Midlands".

The last published RES, 'A Flourishing Region', also recognised the importance of supplier diversity stating that, "Across the region, our diverse population presents opportunities for businesses to expand their market presence. In addition, people from excluded groups make up a significant proportion of the region's population and evidence shows that many experience barriers to social and economic inclusion. If exclusion continues to inhibit the prospects of these groups, economic opportunities will not be maximised and social cohesion threatened" (2006; 17). This was the context within which the supplier diversity agenda was taken forward with the MSD UK.

### WHY AND HOW WE DID IT

The project both developed and financially supported by *emda*, came from a need to improve the value and number of contracts won by ethnic minority owned businesses to supply large corporate bodies. Its key objectives included the following:

- Help ethnic minority businesses become more business ready to enter and engage in mainstream market opportunities, both public and private sector.
- Create wealth in ethnic minority communities that play an important role in economic growth of the region.
- Develop new suppliers from marginalised markets to become capable partners in corporate delivery.
- Create a platform for ethnic minority businesses to come together and increase business to business activities through both networking activities and best practice sessions.

The project brought together a number of global corporations behind a common cause to build their compatibility to source new ideas to target new emerging ethnic markets in the UK (e.g. Leicester). These included:

- Exxon Mobil (now the largest company in the world)
- IBM UK
- JP Morgan Chase
- Enterprise Rent-a-Car
- Bank of America
- Corporate Express
- Capital One
- PepsiCo UK
- Ford Motor Company
- Tyco International
- Lehman Brothers
- Lovell

The programme has brought together ethnic minority and corporate businesses together to investigate trading opportunities. It utilises the following services:

- Meet the Buyer events
- Industry specific Meet the Supplier events
- A fully searchable online supplier database
- A tailored Supplier Sourcing and Referral service
- Networking evenings.

MSDUK's experienced team also provide help and support in setting up and delivering supplier diversity programmes. MSDUK also runs successful corporate working groups and organises Best Practice sessions, run by experienced MSDUK corporate members, which enables essential sharing and best practice learning between the corporate and the group in addition to peer to peer learning.

## IMPACT

Beginning as a largely regional activity, steered and financially supported by *emda* in its infancy, MSDUK has grown to become one of the UK's leading supplier diversity organisations in fewer than 5 years. Corporate membership has increased to 36 since it began in July 2006; membership includes 6 FTSE 100 companies and 12 Fortune 100 companies. It now has a membership of over 450 ethnic minority businesses and has developed the UK's only Certification programme; with more than £9m worth of business generated between corporate members and ethnic minority businesses.

## KEY LEARNING POINTS

The success of the programme has been based on:

- The use of efficient and effective processes that provide corporate members with direct access to ethnic minority businesses
- Developing an experienced Board of Directors, comprised of executives from leading UK and international businesses, that provides strategic leadership and governance
- Developing a management team that has a deep understanding of supplier diversity and extensive international, national and regional networks.

There are a few areas that have proved to be more of a challenge than perhaps first considered. These include:

- The number of conversions from opportunities in the corporate supply chain into actual contracts won.
- Increased promotional activity across the networks could have raised the profile of MSDUK and opened up more opportunities by raising awareness of MSDUK to a wider audience - it is sometimes seen as a hidden gem.
- Helping to find additional support in areas where there are known gaps in provision, may well increase opportunities for local businesses and enhance local skills.

## POTENTIAL FOR FUTURE DEVELOPMENT

In the UK, the ethnic minority population grew by 53% between 1991 and 2001 and it is estimated that this demographic group will double over the next 25 years. As the market place becomes increasingly multi-ethnic and multi-cultural, forward thinking companies realise it makes absolute business sense to engage with a supplier base that can not only provide a competitive edge, but also represents the increasing number of minority groups within the United Kingdom. Bringing more inclusivity and equality of opportunity into procurement practices can generate economic as well as social benefits.

Ethnic minority businesses can bring innovation, flexibility and a high level of customer service that larger suppliers may be unable to provide. The social benefits of investing in local community based businesses and promoting regeneration also bring additional rewards of enhanced reputation amongst customers and peers. All of these key drivers in today's responsible business arena represent a massive opportunity for MSDUK to continue to develop and grow its networks. It has developed a very sustainable and flexible business model that can allow it to extend its reach and embed the programme across the nation.

## Case Study 15 : Providing Support that is Inclusive to all Communities

### Ethnic Minority Business Advocacy Network (EMBAN)



Pictured: Leicester business

EMBAN was a cross RDA body established to provide strategic advice to RDAs and the emerging LEPs on how to best engage with and support ethnic minority businesses.

EMBAN's core remit was to influence local, regional and national policy towards the promotion and support of Black and Minority Ethnic (BAME) businesses and disseminate local knowledge on the BAME business agenda. EMBAN was funded by four RDAs for a one year period during 2010/11.

#### WHY AND HOW WE DID IT

In June 2007, the Government announced the launch of the Ethnic Minority Business Task Force. This was a government-backed, business-led body charged with helping to identify policy to stimulate growth amongst the BAME business base in the English regions. In addition to making recommendations to government on further development of policy, the Task Force was designed to help foster growth among BAME firms and boost economic participation by BAME entrepreneurs. One of the key recommendations from this report was to set up EMBAN. EMBAN was created to meet this need and the cross-Regional Development Agency (RDA) group was chaired and managed by *emda* on behalf of the RDAs.

EMBAN was not a delivery, brokerage or membership organisation. It was a Network to support the RDAs and had clear objectives to support the BAME agenda. It aimed to:

- Promote and raise the profile of BAME entrepreneurs by identifying strong role models and establishing a national voice for BAME businesses.
- Share best practice both in the UK and overseas and bring together partners and highlight opportunities for joint working.
- Influence future government policy making by building up the evidence base on the economic contribution of BAME businesses.

EMBAN funding was used to support various BAME business networking events across the year including LEP engagement events and also paid for key evidence reports highlighting best practice in Business Support across BAME business.

## IMPACT

The programme has identified and is developing relationships with the diverse range of local and regional ethnic minority business support network around England and is quickly gaining their confidence to speak on their behalf.

The project has successfully highlighted current BAME business issues and has raised the profile of BAME entrepreneurs through its National Network event in November 2010 and through the EMBAN website. At this event, over 50 organisations from around England were represented, and gave a mandate to the *emda* project team to investigate ways to sustain EMBAN beyond 31<sup>st</sup> March 2011 when its funding stream ends.

EMBAN has produced several reports highlighting current BAME business engagement best practice considering how best to support ethnic minority enterprise going forward and sponsored several high profile BAME business Awards. Allied to this, EMBAN is positioning itself as the Network of Networks for BAME business. It is the first body of its kind to be the voice of all ethnic minority businesses across England.

## KEY LEARNING POINTS

The development of EMBAN as a BME network has worked well raising the profile of BME business across the networks. The co-ordination of EMBAN involving other RDAs has enabled support from the existing business support structure and provided a focus for this agenda which was previously lacking.

The changing political climate has prevented EMBAN from taking forward key issues around data disaggregation and the lack of real data on diverse businesses across the English regions. This is a real opportunity missed. With the Equalities Act becoming law in 2010, there could have been significant improvement in diverse business data capture, and the slow start to the project made achieving impact more challenging.

## POTENTIAL FOR FUTURE DEVELOPMENT

There is huge potential for EMBAN to become the national lead for BAME business Networks. It is ideally placed to be the link between BAME business and government and will sit alongside other national bodies such as the British Chambers of Commerce in terms of the influence. It has the potential to liaise directly with government informing on BAME businesses and recommending policy changes to support these BAME businesses more effectively. In addition to this, there are real opportunities to support social inclusion through business success in deprived areas.

## Case Study 16: Stimulating new Market and Enterprise Opportunities

## Supporting the Development of Social Enterprise East Midlands



Pictured: Lincoln City Supporters Network.

In July 2001, *emda* commissioned a report entitled “The Growth Potential of the Social Economy in East Midlands”. The report recommended that the key role for *emda* was to raise awareness of and champion social enterprise, network organisations and help share best practice. At the same time, *emda* published its Economic Inclusion Development Plan (EIDP). The plan recognised the role of social enterprise in creating new wealth opportunities in disadvantaged areas. As a result of the two publications, in 2002 *emda* led on the creation of Social Enterprise East Midlands (SEEM).

### WHY AND HOW WE DID IT

SEEM was established by a network of social enterprise support agencies and other agencies with responsibilities or interest in the social enterprise agenda. SEEM’s mission was to create an environment in the East Midlands where social enterprises were encouraged to start and grow. It has worked closely with *emda* over the last eight years. SEEM actively consulted and engaged with its own sector, the wider third sector and public bodies to influence regional and local agendas in supporting the growth of the social enterprise movement.

SEEM’s core objectives were to:

- create an enabling environment and entrepreneurial culture;
- make social enterprises better businesses; and
- establish the value of social enterprise.

SEEM has supported *emda* in delivering its support for encouraging the growth of the social enterprise sector. As a regional infrastructure body SEEM provided a coherent voice for the sector, identifying key issues and opportunities that the sector was experiencing as well as raising awareness of the need for a specific business model with key stakeholders. Furthermore, SEEM provided technical assistance to *emda* on mainstreaming social enterprise through public policy and developing a better business support model for the sector. SEEM also provided key expertise and knowledge in support of *emda*’s RDA lead role on social enterprise and was instrumental in effectively influencing national Sector Development strategies.



Over the last eight years *emda* has invested over £2m in SEEM's regional infrastructure support delivery. *emda* continued its investment into SEEM in recognition that social enterprises are a key constituency for the East Midlands contributing to all three Structural Themes in the RES. Over time, SEEM was recognised as an asset to the region and became a critical partner in delivering the Government's social enterprise agenda.

*emda*'s investment in SEEM since 2002 was also aligned against priorities identified in the national social enterprises strategies. In 2002, the first national strategy for the sector was launched by the Social Enterprise Unit (SEnU) within the DTI, "Social Enterprise: a strategy for success", DTI. The strategy's objectives were directly mapped against SEEM's project delivery plan with *emda*, Building the Environment.

In 2006, the national strategy was reviewed and updated in the form of the "Social Enterprise Action Plan – Scaling New Heights". The Action Plan included specific commitments for the RDAs to support the social enterprise sector under the four strategic objectives. The 2007-2011 SEEM core project activities were fully aligned these objectives, with SEEM delivering activities on *emda*'s behalf.

*emda* also recognised that to provide more effective support for the growth of the sector SEEM was the most appropriate vehicle for delivering funding to areas of most need. SEEM was therefore commissioned to manage a series of programmes on *emda*'s behalf. These included:

- **Mainstreaming Social Enterprise Business Support** - a £1m business support programme delivered from 2006 to 2011. The aim was to increase the number of social enterprises and support them to become more productive, competitive and sustainable businesses, through provision of integrated business support with the Business Link service. At national and regional level, market failures were identified with social enterprise business support. It was perceived that Business Link did not achieve high penetration rates amongst social enterprises, and that the levels of satisfaction with the service were below those of mainstream businesses.
- **Best Procurement EQUAL Programme** - a £2m programme part funded by ESF focused on supplier and purchaser development to enable the maximum return on public expenditure and positioning of social enterprise as vehicle to achieve this.

## IMPACT

In June 2007, an independent evaluation demonstrated that SEEM had been delivered effectively and value for money activities during the period 2002-2006. Some of the key findings included:

- **Demonstrable regional leadership** and successes with statutory partners in relation to shaping opportunities and services for social enterprises (e.g. business support; health and procurement; and, social enterprise sports opportunities);
- **Significant resource leverage for the sector** (every *emda* £1 investment leveraging an additional £8); and
- **Effective delivery of work programmes** and achievement of outputs (direct support to 690 regional social enterprises; 125 new social enterprise start-ups; and, 312 jobs created).

In April 2011, a second evaluation report noted SEEM's key achievements for the "Delivering the Social Enterprise Action Plan" project:

- **Raising awareness among stakeholders** of key policy developments at national level, and giving the sector an important voice back to the RDA;
- **Significantly building the capacity of local authorities** and other strategic partners to provide advice and support to existing social enterprises, and voluntary and community sector organisations who are interested in making the transition to traded status; Working with Local Strategic Partnerships to help plan and deliver support to the social enterprise sector; and
- **Working with higher education institutions** to embed social enterprise within taught courses.

## KEY LEARNING POINTS

The 2007 evaluation also reviewed SEEM's business model and identified opportunities for improving its focus and structures to improve their accountability and independence. The key issues that SEEM progressed were:

- **Governance:** its board structure was reviewed to include a greater proportion of social entrepreneurs;
- **Membership and Stakeholder Engagement:** a new two-tier membership fee system was created for social enterprises members and other partners; and
- **Financial sustainability:** the board recognised the need to reduce its reliance upon *emda* investment and improve its traded income, as well as seeking resources from third sector funding sources.

## POTENTIAL FOR FUTURE DEVELOPMENT

Should *emda* have continued to support SEEM the following options would have been explored:

- Creation of a sustainable asset base for SEEM to generate traded income to support its advocacy function for the social enterprise movement;
- Support for the commercialisation of publicly funded activities as products/services for creation of public sector led social enterprises, cooperatives and mutuals;
- Provide transition funding to develop collaborative operations with neighbouring regions to consolidate to the regional social enterprise networks with natural partners (Yorkshire and Humber, East of England and the West Midlands);
- Fund a Social Entrepreneur in Residence post to drive business development opportunities to realisation in rapid timeframes; and
- Explore sustainable procurement interventions that will demonstrate the added value of social enterprise in public sector delivery.



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## Case Study 17: Stimulating new market and enterprise opportunities

## The Social Enterprise Development Fund



Pictured: Adrenalin Alley, Corby

In October 2003 the Social Enterprise Development Fund (Fund) was launched by the project deliverer Social Enterprise East Midlands (SEEM). The £2m programme was funded through *emda's* investment. The Fund awarded grants to new and established social enterprises in the East Midlands to enable them to start and grow their businesses.

### WHY AND HOW WE DID IT

The rationale for creation of the Fund was to address key market failures, support commitments in economic development plans and encourage the use of various forms of finance for growth. Its objectives were to:

- Provide feasibility and early stage finance to social enterprise which was the missing in the funding marketplace;
- Catalyse other investors to invest into the sector (crowding in);
- Enable social enterprises to draw on a grant and loan funding mix, with loans provided by the East Midlands Community Loan Fund;
- Support *emda's* tier 3 target for creating new social enterprises;
- Support social enterprises in disadvantaged Local Alchemy areas, as stated in the Economic Inclusion Development Plan (EIDP);
- Provide investment to align with SSP social enterprise development plans.

This main market failure was also identified in The Financing of Social Enterprises: A Special Report by the Bank of England (2003). The Fund was designed to:

- Increase the total number of social enterprises and their scale;
- Build the asset base of the sector;
- Raise levels of education, skills and employment;
- Improve business performance;
- Increase community facilities;
- Identify and exploit networking and cluster potential;
- Raise ICT use;
- Promote research, monitoring, evaluation and strategic business planning.

In February 2005, the Fund was reprioritised with the following priorities set:

- **Supporting enterprising activity** – the Fund would support those organisations that would create the greatest blended impact locally and regionally;
- **Supporting growth areas** – supporting social enterprises operating in growth sectors identified in the East Midlands Regional Social Enterprise Strategy:
- **Health & Social Care services**
- **Sports/Leisure/Tourism**
- **Environmental industries**
- **Housing**
- **ICT & Creative industries**
- **Supporting rural and deprived areas.**

The Fund was accessed by an applicant completing an application form for their project which under the following four strands:

- Feasibility and start-up planning; revenue and capital expenditure
- Planning and delivering growth; revenue expenditure only
- Capacity building; revenue expenditure only
- Developing and procuring assets; capital expenditure only.

The Fund was awarded by an independent peer review panel comprised of representatives from the sector, rather than staff members at SEEM.

## IMPACT

Consultation with the social enterprise sector found that the SEDF has been instrumental in the creation of new social enterprises and helping existing social enterprises grow. Specifically:

- **61 new social enterprises were created**
- **A further 259 were supported by the 83 grant recipients.**

The project also created wider social and environmental impacts such as better community cohesion.

The sector felt that the Fund was well managed, flexible and supportive of social enterprise needs. SEEM, as the managers for the project, found that Fund applicants appreciated the level of expertise within SEEM on social enterprise. The application process was relatively

easier compared with other major funding programmes. In addition, the SEDF Panel allowed for a quicker turnaround on application decisions.

The Fund slightly underperformed against core creation jobs outputs; however the indication from the evaluation was that the projected outputs would be achieved beyond the life of the two year project.

The evaluation found the project delivered excellent value for money for job creation, at £20,835 investment for each job created, which was considerably better than other similar projects.

## KEY LEARNING POINTS

The Fund raised awareness of the sector in the region, brought better recognition as a sector distinct from the wider third (voluntary and community) sector. It also raised the profile of SEEM as an infrastructure body and along with this the expectations and aspirations of the sector.

However there were some concerns raised that project delivery staff lacked expertise in specific areas and that the lack of business background hampered their understanding of social enterprise and the ability to support new ideas and enterprises. Aligned to this, there was concern that some of the Fund Panel members were from a commercial business background and did not understand social business fully. Furthermore, it was suggested that SEEM did not utilise their relationship with sector-specific business support agencies to provide advice and guidance to applicants.

The Fund generated substantial interest and as a result a significant number of social enterprises were not able to secure the funding that they desired, largely in part to the limited funds. The approval rate for the fund was around 25% as some applications were of lower quality than that expected. In February 2005, the guidance for the Fund was updated and this led to a higher standard of Fund applications, reduced the number of unsuccessful applications and this increased the success rate of those applying.

## POTENTIAL FOR FUTURE DEVELOPMENT

The primary recommendation for the Fund was that it should be continued if investment is available. The investment should be delivered in parallel with advice and support for the social enterprises to ensure maximum impact of the financial support is achieved. Research found that social enterprises need more specialist assistance compared with what is offered by mainstream business support.

A comparator review of the South Yorkshire Key Fund (SYKF) found that applicant advice and support was essential with the application development. At the time SYKF had a team of 10 staff providing this function which was distinct from officers undertaking appraisal and conducting monitoring visits.

SYKF found that the success of their programme was built on the skills and experience of staff to support their clients effectively. The evaluation recommended that any project deliverer should separate the applicant advice and support function from an application appraisal function fully, to ensure that transparency and objectivity is maintained for a similar Fund.

The evaluation highlighted the beneficial impact of the creation of sub-regional social enterprise learning networks or events, where they do not exist, to enable social enterprises to collaborate and learning from each other in a friendly, peer to peer environment.

Lastly, the evaluation of the programme recommended that Community Development Finance Initiatives (CDFIs) funding should be explored an investment stream for social enterprises.



## Case Study 18: Stimulating new Market and Enterprise Opportunities

### Local Alchemy



In 2002, the Local Alchemy concept was co-developed by *emda* and the New Economics Foundation (*nef*).

The concept created a practical framework for achieving three core aims to:

- Support individuals and groups to challenge the economic “status quo” and to reinvent their local economies to deliver solutions addressing their social and environmental needs.
- Bring about cultural and attitudinal change, encouraging the “can-do” attitude in individuals and communities, drawing on the skills, experience and resourcefulness of local people.
- Challenge institutions and agencies in their approach to supporting communities experiencing economic disadvantage.

#### WHY AND HOW WE DID IT

*nef* approached *emda* with the original idea for Local Alchemy. Local Alchemy aligned directly with the Regional Economic Strategic under the Achieving Equality theme. *emda* agreed to support the testing of the concept in four localities in the East Midlands.

The programme includes a number of related components and resources:

- An Enterprising Communities Framework (ECF), describing what such a community would look like;
- Local Alchemy Toolkit, to help pilot areas to vision, map and implement a new local economy and develop “economic literacy”;
- Seed-cord funding, branded the Local Alchemist Fund of £350,000 managed by the Community Foundation to help start ideas that had blended (social, environmental and economic) impact.



The programme was delivered over two phases, Phase 1 commenced in 2003 with four pilot localities and Phase 2 had a further 10 pilot areas with a less structured, more flexible allowing for greater local variation and debate.

The pilot areas in Phase 2 were selected using a combination of factors: the type of community (inner city, urban fringe, rural and ex-coalfield), evidence of motivation and capacity to undertake local action to create the change in their communities.

## IMPACT

The programme allowed for variation in the approach(es) used in the pilot areas. For example, in Northampton, the focus was on education and action based around a local school and a community centre. In New Parks, Leicester, Local Alchemy supported the creation of 27 businesses, all of which formed a network supporting each others operations. Due to the differences in approach, between Local Alchemy areas, the impact created was not comparable between the areas. The impacts varied due to developmental context (the type of communities and their motivation for involvement) and levels of institutional support (government funded bodies and third sector organisations supporting the community) in the area.

Local Alchemy had great impact for some people, transforming lives for certain individuals, which are recorded as case studies from the pilot areas.

The two year long programme led to stimulation of micro enterprises (including social enterprises) and new business creation. Considerable success came from Local Alchemy Coaches engaging with the informal economy in their areas. The Coaches then went on to help people develop their enterprises into formal businesses, helping them to purchase capital equipment, employ new staff and access other services that helped their businesses grow.

## KEY LEARNING POINTS

Local Alchemy Coaching provided the strongest element of the framework for Phase 2 of the programme. The Coaches stimulated the development of micro enterprises, which was seen as a tangible outcome. Furthermore the Coaches acted as conduits between different statutory, business and community organisations. The one to one coaching sessions enhanced peoples' confidence, enabled them to articulate their ideas to external audiences, such as Business Link and the banks and therefore helped them to realise their new found business aspirations.

The attempts to create local money and resource multiplier effects did not deliver significant differences across both Phases of the programme. The learning from the programme recommended that public sector procurement policy, in keeping money local should be emphasised much more. The place of effective business networking, in helping to identify mutual benefits and potential supply chain linkages should also be emphasised.

Local Alchemy helped build human, financial, physical and knowledge assets in communities. The business forums provided a good mechanism for sharing knowledge and best practice, as well as raising the importance of enterprise as the key to local regeneration.

The pilots struggled to influence the institutional space that Local Alchemy operated in. This may have been due the nature of the programme, in that a national organisation led the project with regional funding, resulting in reduced buy-in from local institutions. However Coaching for regeneration was very effective in engaging local institutions.

Local Alchemy through a number of actions strengthened community and civil voice capacity through the Coach role. The Coaches built peoples' confidence, which in turn led them to become more active members of the community, and more likely to engage and take action. The outcomes of this activity was the creation of community based projects and social enterprise working for the benefit of the community. In Phase 2, the community development role of the Coach was balanced against the business capacity-building.

Where Local Alchemy Coaches worked with individuals and groups, 19% of these people felt that it changed their attitude to recycling and saving energy. The evaluation recommended that the creation of more tools and further training of coaches in sustainable environmental knowledge could have created greater impact in this area.

## POTENTIAL FOR FUTURE DEVELOPMENT

In terms of enterprise support for local communities, coaching is still the most effective mechanism tested to support enterprise action and attitudinal shift to a more 'can do' approach within communities. The Government's Localism agenda is the most appropriate tool for local authorities to work together, building up a network of suitably trained coaches to work at the local level with local communities.

Furthermore, there has to be a shift in institutional practice and a more supportive policy context that will allow local authorities to develop a framework for embedding coaching into their Localism policies and programmes as well as to offer more sustainable procurement approaches for local communities to make better use of.

Local economies are not re-invented in 2 years; embedding a more flexible approach to local activism combined with specialist coaching support for action is key to sustainable change.



## Case Study 19: Addressing persistent and high levels of worklessness

### Enterprise Ecologies



Pictured: Nottingham city centre

The Enterprise Ecologies programme was initiated in the East Midlands in 2006. Its concept was part of a joint bid to the Local Enterprise Growth Initiative (LEGI) by the three city councils of Nottingham, Derby and Leicester to deliver a number of projects in their respective disadvantaged areas.

The 'Three Cities' had previously collaborated on a number of initiatives aimed at tackling common problems such as poor engagement in learning, high levels of business failure and the perceived low participation in Business Link enterprise programmes.

Whilst the joint bid was unsuccessful, feedback suggested that the focus of further activity should centre on projects aimed at stimulating enterprise in disadvantaged areas. A 2 year pilot for the Enterprise Ecologies programme was launched in Nottingham in 2007, funded primarily by Nottingham City Council with contributions from the other authorities and *emda*. The project was co-ordinated by *emda* and managed by EMB Ltd. under the Business Link umbrella.

#### WHY AND HOW WE DID IT

The programme was designed to deliver a number of business stimulation projects tailored to meet the needs of specific communities. Three areas were selected to 'test' the Ecologies methodology: Radford & Hyson Green (Inner City); Clifton (Social Housing Area) and Dunkirk & Lenton (Industrial Area in Transition).

The areas chosen for the programme were characterised as flows:

Inner City areas that have high start up rates but also high failure rates, a high concentration of BME communities, and/or various micro businesses delivering a range of local services but with little or no penetration into the knowledge based sectors.  
 Social Housing Areas that had higher levels of benefit claimants but low levels of start up rates, a lower overall density of businesses and few locally provided services.  
 Industrial Areas in Transition that had high levels of employment, a moderate business density but low numbers of micro businesses, very few of which were from the creative or knowledge based sectors.

The Ecologies programme consisted of a series of innovative and practical activities designed to help individuals overcome barriers to starting or growing their business. These ranged from 1:1 intensive coaching, ideas generating exercises to help individuals research their market and explore local economies, workshops to develop entrepreneurial skills and networking events.

Nottinghamshire Business Venture was contracted to deliver the pilot using locally based outreach workers.

## IMPACT

The Nottingham pilot was successful. It strengthened the connection between the target communities and the regional Business Link programme. Monthly monitoring meetings with the Business link provider, including feedback from the outreach workers, were very constructive and helped shape the wider Business link service.

Participants also endorsed the approach and commented that the combination of practical support and flexibility of the programme helped them take their business idea forward with a degree of self confidence they had not previously experienced. The pilot project also helped delivery partners understand the barriers to starting up a business and illustrated clearly the value of pre-start up intervention.

## KEY LEARNING POINTS

There were a number of advantages of linking the pilot to the Business Link programme:

- Using the regional provider of Business Link reduced the possibility of confusion or duplication of activity.
- A comprehensive reporting system was already in place for the project, i.e. *emda's* CRM system, RBSIS.
- Using the existing manager of the start up provider network was more cost effective. The funding for the pilot was spent on service delivery directly and any additional management costs were absorbed by *emda* as part of their Business Link main contract.

The programme was successful primarily because it was strongly linked to the overall Business Link regional delivery programme so there was a high degree of interface and sharing of data. The presence of committed individuals in Nottingham City Council, *emda* and provider was central to the success of the pilot.

The majority of the targets were exceeded. Many of the clients who benefited from this project, encouraged their friends and family to access it too, consequently there were a number of outputs that could not be counted, as they were from outside the target areas. However, it demonstrated both the success, as well as the need, for this type of project.

There were a number of difficulties to overcome. Negotiations on the contract with the provider were challenging as they required a management fee which was eventually paid by *emda*. This delayed the start of the project, which in turn meant that Derbyshire County Council lost their funding for the pilot and had to pull out.

## POTENTIAL FOR FUTURE DEVELOPMENT

The pilot programme has informed the design of further Enterprise Ecology programmes in Leicester and Derby. These are supported by ERDF funding and will continue to target specific communities with tailored solutions and flexible delivery. In Nottingham, the programme is to be rolled out to other areas of the City. Generally, *emda* has found it challenging to influence the Local Authorities to evolve joint cross-county working of this type. They have preferred to undertake their own programmes.

Because of the community based nature of the pilot, the decision was taken not to develop a separate Enterprise Ecologies brand. The publicity material used focussed on individual community outreach workers, likely to be known in the relevant areas, and the Business Link brand. The material did not include the Solutions for Business brand, which had not been developed when the pilots started. However, *emda* saw the Business Link brand together with the products that sit behind it as the gateway to business support, providing a seamless service to the client.



## Case Study 20: Addressing persistent and high levels of worklessness

## The Healthy Hub



Pictured: The Healthy Hub

Increasingly, mental health is being recognised as an issue that has a significant impact on the social and economic well-being of society. A series of Government reports have particularly highlighted the need for action on mental health and worklessness, not least because employment benefits mental health.

Mental health difficulties now constitute the largest single reason for sickness absence from work. People with mental health problems also have the lowest employment rate of any disabled group. The impact on our economy remains significant.

In 2006, the Social Exclusion Task Force established regional partnerships to explore more effective opportunities between employment and individuals experiencing mental health problems.

In support of this work, *emda* commissioned a research study into the Economics of Health which highlighted a significant proportion of individuals suffering from mental health problems across Lincolnshire.

### WHY AND HOW WE DID IT

*emda* made a capital investment to help the establishment of a new social enterprise focusing on mental health, employment and wellbeing; The Healthy Hub. This was followed a suggestion from three Lincolnshire residents who had personal experience of mental health problems, relevant experience and knowledge.

The Hub was set up in 2008 and it has built positive relationships with 22 host employers to broaden its offer in areas of employment, for example in construction, care services, and working with the Police.

The Healthy Hub is a Community Interest Company. In addition to its employment and skills training activities, it has also established a cafe, a theatre cafe bar, an outside catering service, a gardening company. It provides conference and meeting room space and offices for hire and rented car parking.

Throughout 2010, the Healthy Hub developed to work with the Future Jobs Fund scheme which was designed to support young people aged 18-24 who had been unemployed for a period of between 26 and 39 weeks. The Healthy Hub led initial contract to place 35 young people into supported employment within the Hub itself, a further contract was awarded for 100 jobs and this saw young people supported into 6 month placements in 20 different host organisations throughout Lincolnshire.

## IMPACT

- More than 300 people have been supported with employment opportunities in two years;
- Improvement in educational outcomes for young people who had been long-term unemployed;
- Increase in number of long term unemployed gaining a job after participating in 6 month scheme – 63% of the people who went through the FJF scheme moved onto permanent employment, further training or volunteering;
- Improved quality of life (improved wellbeing) and reduced isolation due to improved social skills;
- Improvement in long term health conditions (both physical and mental health);
- Increased uptake and access to local services;
- Increased household income through employment.

## KEY LEARNING POINTS

The project demonstrated that improved inter-agency communication and co-ordination of service delivery could be achieved through the establishment of Supported Employment network.

Encouragement to further development of this model as good practice for social enterprise growth around mental health, wellbeing and employment is needed.

Future partners should look to explore the links with this model to offer more cost effective delivery of local Supported Employment Services and the Personalisation model links for mental health and inclusion.

## POTENTIAL FOR FUTURE DEVELOPMENT

Future partners should continue to promote Supported Employment as a model of best practice with wider partners and employers across Lincoln and the wider county.

There should be continued activities to raise awareness of improved health and wellbeing for those with long term mental health conditions in relation to employment, self-employment and training opportunities.

## Case Study 21: Addressing persistent and high levels of worklessness

## Business Link Outreach Support Project



Pictured: Business Link EM

The Business Link Outreach Support (BLOS) Project was created to provide a targeted programme of support to those individuals and businesses who either live or trade within one of the 12 ERDF Priority Axis 2 (PA2) districts and who would not traditionally access mainstream Business Link branded support services.

The BLOS project is delivered via a Partnership Agreement bringing together East Midlands Business (EMB), Nottingham Business Ventures (NBV) and the Prince's Trust to deliver the project.

### WHY AND HOW WE DID IT

The BLOS project was set up in an attempt to avoid a repeat of the previous proliferation of enterprise promotion and start up activities in disadvantaged communities that had been seen under the previous ERDF programme. BLOS links with and is integrated with the formal Business Support for start up businesses, provided under the Business Link brand in the region. It also links closely with the Start Up with the Prince's Trust programme.

EMB are the current Business Link regional provider, the project applicant organisation and the accountable body for the project. They employ a dedicated Project Management Team to oversee and manage the day to day project delivery and performance. The BLOS project employs a team of community outreach workers and community based business advisors who each have a geographical focus for the promotion and delivery of business support services within each of the 12 ERDF PA2 districts.

The BLOS project provides the following services:

- **Community Based Outreach** – the community outreach workers who work within target communities to raise the awareness of enterprise and the associated start-up support available through the project. Through such activities, the project aims to identify those individuals who would not typically access support through the mainstream Business Link Start-Up Service but who, with additional information, encouragement and support may consider the benefits to be attained through self employment and the creation of their own enterprise.



- **Start-Up Support** – the project responds to the needs of the beneficiaries and communities engaged above and ensures that there is universal access to Start-Up services through addressing the physical, cultural, or social barriers which may exist. In addition, the Prince's Trust provide targeted support to contribute towards the promotion and development of an enterprise culture in the East Midlands specifically to encourage disadvantaged young people to start and sustain new businesses. The project actively markets and promotes business start up as a viable career option for young people aged between 18 and 30, ensuring that such an approach is inclusive and accessible to all young people, regardless of their gender, ethnicity, geographical location, or disability.
- **Community Based Business Advice** – the community based business advisers are based and work within designated communities to proactively engage with existing SMEs who have little or no experience of accessing support through the mainstream Business Link service. The role aims to enhance business survival rates and identify potential growth through the Information, Diagnostic and Brokerage (IDB) service.
- **Enterprise Development Grant** – the project recognises the increasing difficulty that new, small and micro businesses with little or no track record experience in accessing finance. As a result, the project provides access to grant funding for those beneficiaries accessing advisory support through the project and who are typically, but not exclusively, within their first 36 months of trading. Such grants are provided to a maximum of £3,000 or 60% of the total costs incurred by the beneficiary, whichever is the lesser. Additional grant funding is also made available directly for those individuals and businesses that access support via the Prince's Trust. Such grants are provided to a maximum of £1,000 at a 100% intervention rate.

The support provided to beneficiaries via the BLOS project contributes to an increase in the numbers of individuals considering and preparing to start a business, supports more businesses to start and survive, and assists existing businesses to become more secure, develop and grow.

The project works in partnership with a number of external stakeholders within the 12 ERDF PA2 districts including the local authorities to ensure that the activities being delivered meet with local needs and that there is a comprehensive awareness across the providers of their respective plans and activities. This ensures that the project resources are optimised and avoids local duplication within the marketplace.

## IMPACT

The BLOS project has successfully engaged with a number of ethnic communities, predominately within the three cities of Derby, Leicester, and Nottingham including the Afro-Caribbean, Pakistani, Muslim, Congolese, Ukrainian, and Senegalese communities. Ethnic minority engagement levels are four times higher in the districts as a direct result of local outreach when compared to mainstream activities.

A significant number of individuals and businesses have engaged with the project to access support. This has resulted in 680 Businesses Assisted to Improve Performance, 1,055 People Assisted to Start a Business and 187 jobs created within the 12 ERDF PA2 districts.

An interim project evaluation is currently underway to enable for the project delivery partners to ascertain the benefits which have been attained to date and to gather intelligence with regard to the future needs of the business community. This evaluation will include gathering the views of a sample of project beneficiaries as well as stakeholder comments. It is therefore anticipated that the final evaluation report will enable for the project delivery partners to further review the lessons which have been learnt through the delivery of the BLOS project and to identify areas for future improvement, if applicable. The project will be completed at the end of December 2011.

## KEY LEARNING POINTS

A number of lessons have been learnt by the project delivery partners to date in the preparation of and delivery of the BLOS project; these include:

- **Stakeholder endorsement** - as the project is delivered within the 12 ERDF PA2 districts, there was a need to liaise with key contacts from within the local authorities in each of the districts to ascertain the types of activity which the project should deliver to address local needs. The project identified that there were a number of differing views with regard to the regional versus local agenda for business support. As such discussions and subsequent negotiation with the 12 districts took some 12 months to complete before the project delivery partners were able to secure stakeholder approval and therefore submit an application for ERDF funding. This was too long and left less time than desired for actual delivery.
- **Continued stakeholder engagement** - similarly, the project has identified that continued stakeholder engagement is essential to ensure that the local authorities within the 12 ERDF PA2 districts as well as wider stakeholder organisations are kept informed of the project activities being delivered and the outputs which are being achieved as a result. As such, a key focus for the project management team has been to ensure that such information is shared on a wide basis. This has been facilitated through the development of local stakeholder group meetings which are held in each district and are attended by representatives from the local authority as well as wider stakeholder organisations including the Councils for Voluntary Service (CVS) network, colleges and representatives from other publicly funded business support projects. In addition, the project has developed a dedicated website through which Management Information is shared along with case study materials and contact details for the project delivery personnel within each district.

In addition, the project found that a high percentage of individuals and businesses do not require the equivalent of two days worth of support (i.e. the required level of support to be provided to a client in order for them to consider to have been assisted in ERDF terms). As such, whilst the project outputs achieved to date are strong, they are not reflective of the full activity which the project has delivered and do not account for those beneficiaries who

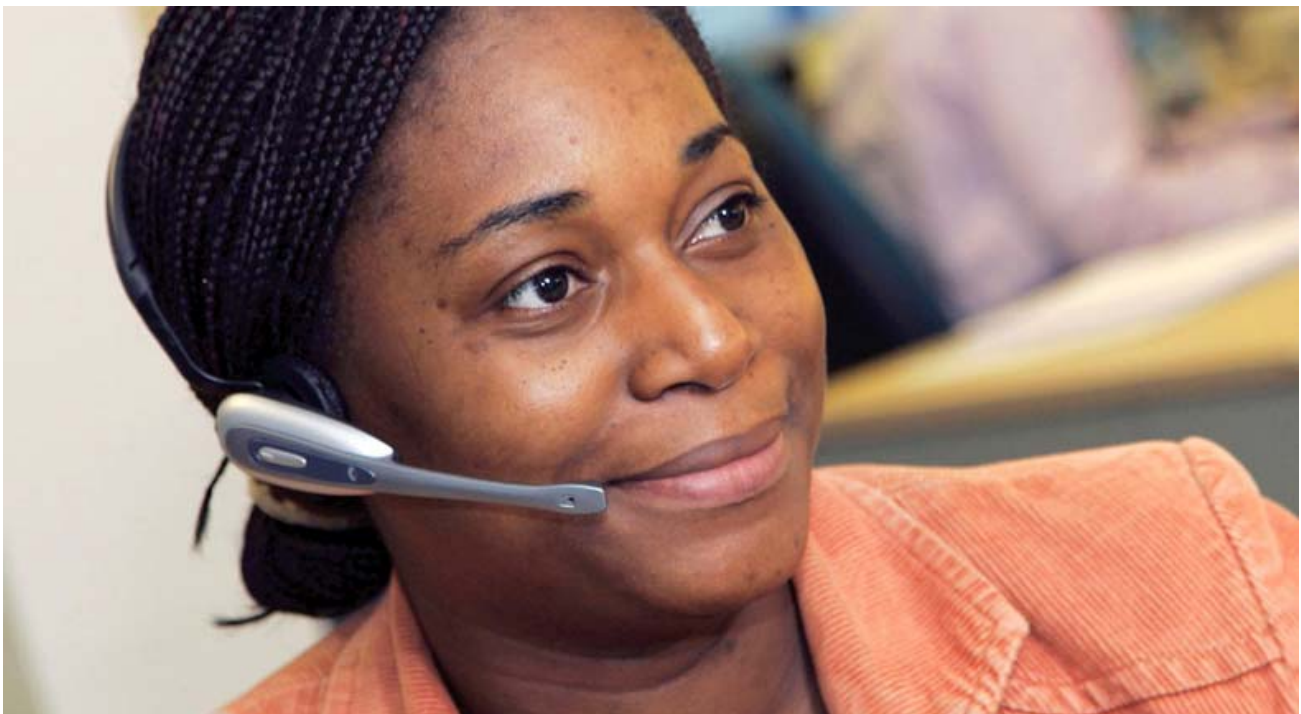
have accessed support through the project but who have yet to receive the equivalent of two days worth of support.

Having a single contract for delivery across the whole region has made project and contract management far easier and we have therefore been able to use less project management resource than if we had been contracting at sub regional levels. In turn, this has meant more resource could be directed to front line activity.

## POTENTIAL FOR FUTURE DEVELOPMENT

Through the delivery of the BLOS project, the project delivery partners have identified the successes attained through the provision of 'outreach support' by reaching out into local communities and engaging with individuals and businesses that would not traditionally access mainstream business support.

There will be a continued need to provide such support beyond the current lifetime of the BLOS project, and there may be opportunities to match additional ERDF with further public sector funding, if made available. Whilst we recognise that opportunities may exist at a local district level to request ERDF funding via the 80% district allocation and where match funding may be identified, we believe that the development of individual project ideas will result in additional project delivery and associated management costs being incurred as the economies of scale which have been identified through the delivery of a regional project will be lost.



## Case Study 22 : Securing the Quality and Supply of Employment Sites

## Sherwood Energy Village



Pictured: Sherwood Energy Village

Sherwood Energy Village (SEV) is an environmental enterprise park for industrial, commercial, housing, leisure and tourism uses. It was developed on the former Ollerton Colliery site as part of the National Coalfields Programme. Whilst Sherwood Energy Village was not within the first tranche of NCP projects, discussions started between English Partnerships and SEV to secure funding for the reclamation works.

The site was brought into the NCP following a report by the Coalfields Task Force in 1998. The National Coalfields Programme assists former coalfield communities across England by creating new employment, homes, leisure facilities and public space.

### WHY AND HOW WE DID IT

The transformation of the 36.9 hectare former Ollerton Colliery site is an exemplar demonstration of community led regeneration, with a variety of public sector funding from interested parties. The principal members of the partnership were SEV Ltd, Nottinghamshire County Council as part landowner and technical consultant, and *emda* in administering NCP funding via English Partnerships. *emda*'s total commitment to the project was £2,798,479.

The project's objectives were to bring some 36.9 hectares of Brownfield land into beneficial use by reclaiming the site and constructing primary infrastructure to allow redevelopment for industrial, commercial, residential, leisure and tourism uses. This would then provide the necessary base for the redevelopment to provide suitable job opportunities to replace those lost with the closure of the colliery and the decline of the hosiery industry.

### IMPACT

The project to date has achieved a particularly diverse mixed use, attracting a major international headquarters for Center Parcs, smaller private sectors offices for architects, accountants, as well as a playbarn, crèche and an acute acquired head injuries care unit. Confidence in Ollerton has grown as a result of the SEV project and adjacent sites. The 11 acre former REXCO site has been acquired by Miller Homes for 300 housing units, whilst

the adjacent Courtaulds site has been acquired by Peverills for housing. This would not have happened without SEV. Outputs from the site far exceed initial forecasts with 600 jobs new created, the creation of 53,850m<sup>2</sup> of floorspace and private sector Investment of £22.15m levered in.

SEV has also delivered a number of strategic added value benefits including its role to showcase the benefits of sustainable construction through environmentally sensitive development. The site has a demonstrable sustainable urban drainage system, the largest of its kind in the UK when it was built. The project puts into practice the ethos of sustainable construction.

The project's success has encouraged adjoining Brownfield land redevelopment and securing Ollerton's economic growth. The project has been recognised as an exemplar of community led regeneration, being awarded the RICS East Midlands Regeneration and Project of the Year Awards in 2006, and most notably the very first Enterprising Britain Award in 2005. Many other awards have followed, and SEV Ltd has established a consultancy business which advises others on sustainable construction and development.

### KEY LEARNING POINTS

The development of large scale sites is dependant on the involvement of a regional body with sufficient capacity to be able to coordinate partner engagement, manage large scale national funding programmes and bring a multi-disciplinary approach to what is a very complex project. In the case of SEV, and common with other former coalfield sites, the transformation of a heavily contaminated site into a state-of-the-art business park has required a combination of visionary leadership and technical expertise. In many ways SEV pioneered the way for the development of *emda's* sustainable construction strategy.

### POTENTIAL FOR FUTURE DEVELOPMENT

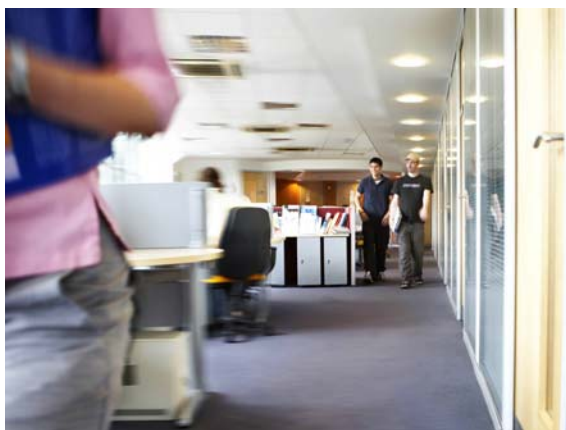
Unfortunately, external circumstances driven by the recent recession have impacted heavily on the viability of SEV core business. The Banks foreclosed on their loans to the company which pushed it into administration. As in other parts of the country, housing developments remain empty as individuals are unable to obtain mortgages.

The site is now being sold by agents working on behalf of the banks. *emda* has two leaseholds on the site which will also be sold. However, there are plans to build a new station on a former coal railway which has reopened. Local authorities have expressed an interest in collaborating on purchasing the e-centre but these plans remain at a very early stage.

The remainder of the commercial activity continues on the site, bringing much needed economic regeneration to this former coalfield site.

## Case Study 23 : Securing the Quality and Supply of Employment Sites

## Portland Enterprise Centre



Pictured: Portland Enterprise Centre TBC

Developed under the Economic Inclusion priority of the RES, this project was at the core of *emda's* remit to increase employment and business start up amongst individuals who are disadvantaged in the labour market.

Portland College, Mansfield, is a purpose built centre which provides support, training and accommodation for people with disabilities, giving them the skills to access employment and the confidence to re-enter the community. Many of its customers had expressed a desire to set up their own business but research had identified that across the region, there was a lack of suitably adapted premises and poor access to business training for disabled people.

### WHY AND HOW WE DID IT

In its collation of statistical data to underpin the evidence base of the RES, *emda* identified resistant pockets of disadvantage amongst certain groups and communities, particularly in rural areas and the former coalfields. Individuals facing multiple barriers continued to be under represented in the labour market or engaged in entrepreneurial activity. Sub regional projects were primarily aimed at targeting these communities with appropriate measures to address specific needs.

Within the Portland College campus, however, there were a number of disused buildings which, if converted, would allow business support to be provided within an environment that felt safe and familiar for the participants.

The specific aims of the project were:

- **To create a supportive and quality training** and learning environment for the most disadvantaged – specifically targeting people with disabilities, people aged 35-65 and women.
- **Increase the level of self-employment** amongst people with disabilities.
- **To remove barriers** to getting back into employment.
- **To assist the target group in their skills** development – especially ICT and business skills.

*emda* provided £164,294 towards the cost of converting the disused buildings with Portland College providing £164,294 from its own sources. The purpose built Enterprise Centre was equipped with a range of specially adapted equipment to suit the client group. The centre was formally opened in April 2010.

Business Start Up and mentoring programmes delivered by the local Business Link were held at the centre.

## IMPACT

The project continues to deliver successful outcomes. There is an ongoing demand from Portland College customers and so far, 3 new businesses have been created and 3 jobs created at the newly refurbished centre.

The centre is still in its infancy and continues to attract interest from charities and community groups who use the facilities for events and meetings. The feedback from participants has been overwhelmingly positive

## KEY LEARNING POINTS

The following key learning points were established from the project:

- Having a different mix of businesses in the building led to good cross fertilisation of ideas and encouraged businesses to work together.
- Allowing businesses and VCS groups to rent premises on a licence basis does not tie them into a long lease which could prove too expensive if the business does not generate sufficient income to cover rent over a long period.
- Flexible space has allowed better usage of the building as external organisations book meetings and events at the centre – giving clients exposure to a range of expertise on an ad hoc basis.
- This client group is reluctant to take on loans. A combination of capital (to build the premises) and revenue to provide grants for clients would have helped the new businesses get started.

## POTENTIAL FOR FUTURE DEVELOPMENT

This project demonstrates an ongoing need to tailor business support to meet the needs of individuals who may be reluctant to start a business without considerable 'up front' advice and support. Proposed changes to the Business Link service may result in less one-to-one support being available and this will have a greater impact on individuals who need the most intensive level of support.

For people with disabilities, having a purpose built, fully equipped facility within a supportive environment is clearly beneficial. The availability of suitable premises should these businesses wish to expand is an ongoing challenge as funding cuts will impact on the availability and quality of 'grow on' space.

## Case Study 24 : Securing the Quality and Supply of Employment Sites

## Leicester Creative Business Depot



Pictured: LCB Depot, Leicester

The Leicester Creative Business Depot, which opened in July 2004, was a pivotal project in designating the St George's area of Leicester as the City's Cultural Quarter.

The refurbishment of the former Leicester City Bus Depot at 31 Rutland Street was undertaken by award winning Architects, Ash Sakula. The resulting showcase building was specifically aimed at attracting and supporting creative businesses. With 55 offices, studios, a café, exhibition space, conference and meeting facilities, the LCB Depot is now a thriving hub in the heart of the City – home to 45 businesses and hosting numerous events and exhibitions.

*emda's* involvement dates from the project's inception in 2002 when the contribution of the Creative Industry sector to the East Midlands economy was first recognised. Leicester's economy, largely built on the design and manufacturing of textiles, knitwear and shoes, had suffered a decline when manufacturing moved to the Far East. The St George's area, with its disused warehouses and run down office blocks was testament to this decline.

The £4.6m refurbishment of the Depot was funded jointly by *emda* (£1.6m), Leicester City Council (£1.1m) and ERDF (£1.9m). The resulting 3,720 sq m of incubation workspace also provided opportunities for training and networking as well as targeted business support through Business Link.

### WHY AND HOW WE DID IT

The project was developed in response to research undertaken by consultants Arts Business Ltd (ABL) which identified a shortage of artists' studio and rehearsal space available at affordable rates within Leicester. The concept of an incubator centre was designed to allow new companies to establish the necessary commercial links in order to thrive. Access to ICT and dedicated business support, particularly for new companies and graduates entering the industry, were essential components of the Depot's mission.



## IMPACT

Since its opening, the Depot has consistently enjoyed an occupancy rate of over 90%. 45 organisations are currently based there and business is boosted by an ongoing programme of events and exhibitions. The website: [www.lcbdepot.co.uk](http://www.lcbdepot.co.uk) provides an overview of the facilities on offer at the LCB Depot, details of the companies based there and the events taking place.

To date, the LCB Depot has created 126 new jobs, assisted 43 SMEs and refurbished 3,720 sq m of floorspace.

## KEY LEARNING POINTS

The LCB Depot, a catalyst project in the development of the Cultural Quarter, shows the benefit of creating an identity for a specific area and ensuring that subsequent regeneration projects complement and enhance one another. The resulting investment has attracted a significant number of private sector companies into the area, which now has a more 'upmarket' feel.

A lack of grow-on space has constrained businesses looking to expand. With a consistently high occupancy level and a low level of churn, the Depot's success has created a demand for more grow on space and more flexible accommodation to meet the needs of businesses looking to expand. In time, the availability of adjacent premises will provide additional office and studio accommodation.

Going forward, where there is a real economic benefit to be derived from the 'clustering' of businesses, adopting a holistic approach to designing a 'cultural quarter' that ensures these requirements are considered at the start of the planning process should be encouraged.

## POTENTIAL FOR FUTURE DEVELOPMENT

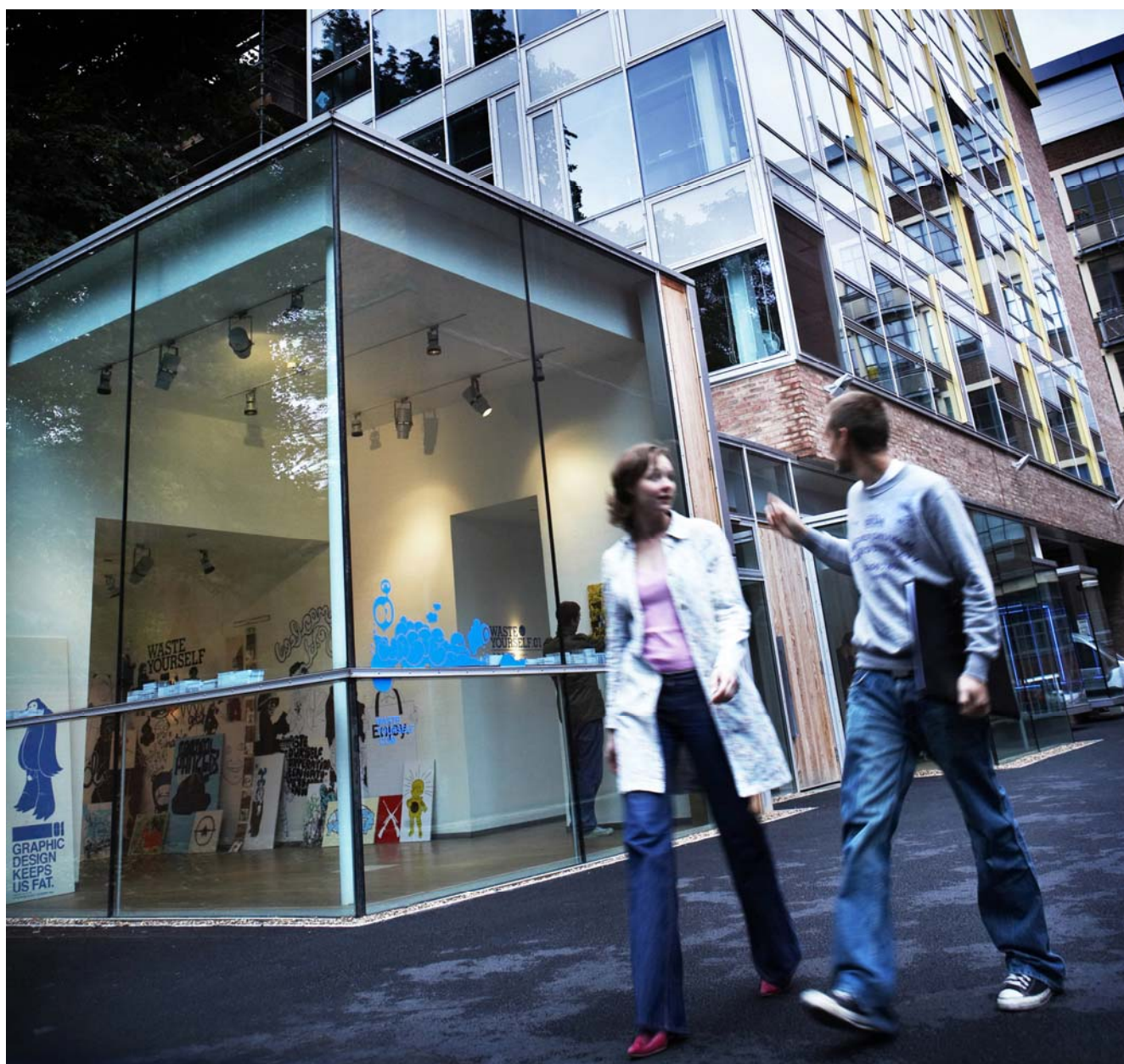
The Cultural Quarter has become a focal point for cutting edge architectural design and innovative use of the streetscape. The LCB Depot building has gained two RIBA Awards and The Curve Theatre, designed by the renowned architect, Rafael Vinöly was opened by the Queen in December 2008. The Curve, which received £6.265m of *emda* funding, has also won prestigious RIBA awards. More recently *emda* provided £2.5m to build the Leicester Digital Village in Phoenix Square – a unique building which brings together cinema, visual arts, a digital gallery, performance space and living accommodation. The team behind LCB Depot also manages the workspace at Phoenix Square, continuing to support Leicester's thriving creative and cultural community.

On 6<sup>th</sup> January 2011 Prime Minister, David Cameron visited the LCB Depot to promote the Government's support of small businesses. Ben Bradshaw, the Culture Secretary visited

the Depot on 26<sup>th</sup> February 2011 going on to tour the many *emda*-funded projects within the Cultural Quarter.

In September 2010, £680,000 of ERDF funding was approved by *emda* for the LCB Depot to develop adjoining disused premises in Rutland Street. The new space will provide five self-contained units for Leicester's creative businesses looking to expand. The new units will complement existing business incubation programmes at the LCB Depot and in Phoenix Square.

Private sector investment continues to flow into the area – a boutique hotel is currently under construction and numerous restaurants and shops have opened.



## Annex 2

# Strategic overview

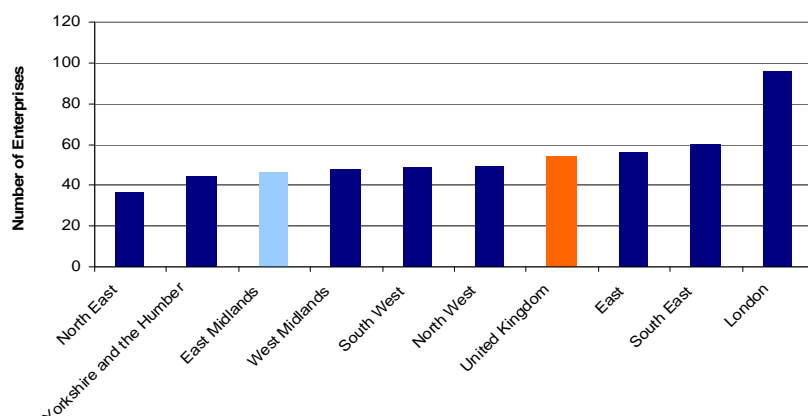
### Regional Economic and Social Context

Research<sup>2</sup> commissioned for the 2006 East Midlands Regional Economic Strategy identified a number of factors which characterise an entrepreneurial region:

- Entrepreneurial regions **have a culture that recognises, encourages and supports entrepreneurs** and entrepreneurial ways of working.
- Entrepreneurial regions **have a dynamic business population** that is based on a **healthy start up rate, improving levels of firm survival**, a large and rising proportion of growing entrepreneurial firms and agglomeration effects that speed up growth by clustering and the geographical concentration of businesses.
- The **institutions and infrastructure of a region can support and enable** entrepreneurial activity.

Chart 1 shows business births<sup>3</sup> as measured the Office for National Statistics<sup>4</sup> per 10,000 resident adults in the UK in 2008. Business births are a proxy for the level of entrepreneurial activity in the region, with the difference between births and deaths giving an indication of the strength of entrepreneurial activity in the region.

**CHART 1: Businesses births per 10,000 resident adults by region, 2008**



Source: ONS, Business Demography 2008, Accessed January 2010 and ONS, Mid Year Population Estimates, Broad age bands, numbers, August 09, Accessed January 2010.

<sup>2</sup> Entrepreneurial Regions, Exploring the Entrepreneurial Capacity of the East Midlands, Atherton A, Frith K, University of Lincoln, *emda* RES evidence commission, August 2005

<sup>3</sup> A birth is identified as a business that was present in year t, but did not exist in year t-1 or t-2. Births are identified by making comparison of annual active population files and identifying those present in the latest file, but not the two previous ones.

<sup>4</sup> The starting point for demography is the concept of a population of active businesses in a reference year (t). These are defined as businesses that had either turnover or employment at any time during the reference period.

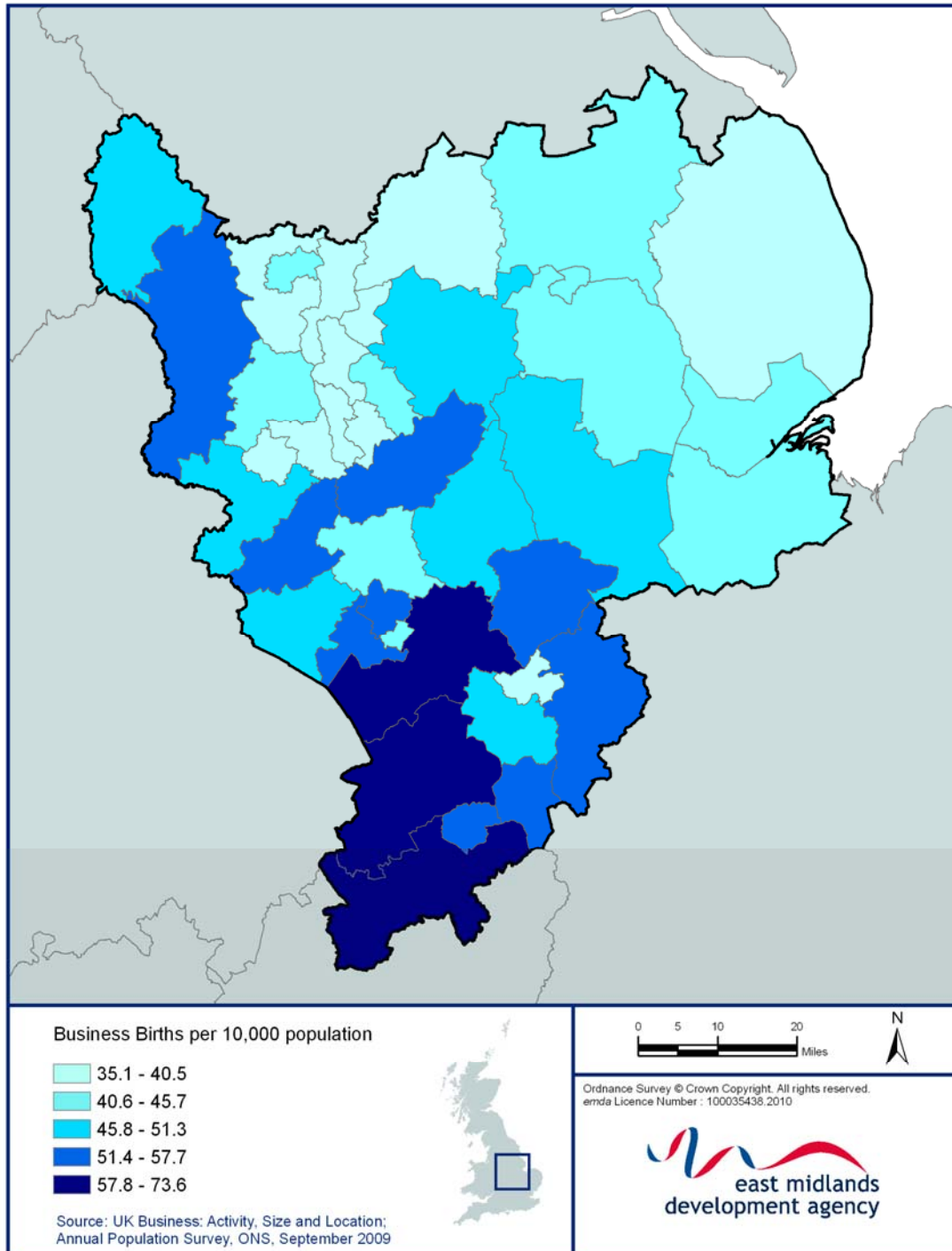
**Specifically:**

- In the East Midlands there were **47 business births** per 10,000 resident adults in 2008, below the UK average, of 54.
- Business births are significantly lower in the East Midlands than in the leading region in the country, London, where there were **96 births** per 10,000 resident adults in 2008.
- In the North East there were **37 births** per 10,000 resident adults in 2008, 68% of the UK average.
- In the East Midlands there were **41 business deaths** per 10,000 resident adults over the same period, below the UK average, of 44. This data indicates a below average level of churn in the East Midlands.



Map 1 shows that there are significant differences in the business start-up rate per 10,000 resident adults between districts of the East Midlands:

**MAP 1: Business births per 10,000 resident adults by district, 2008**

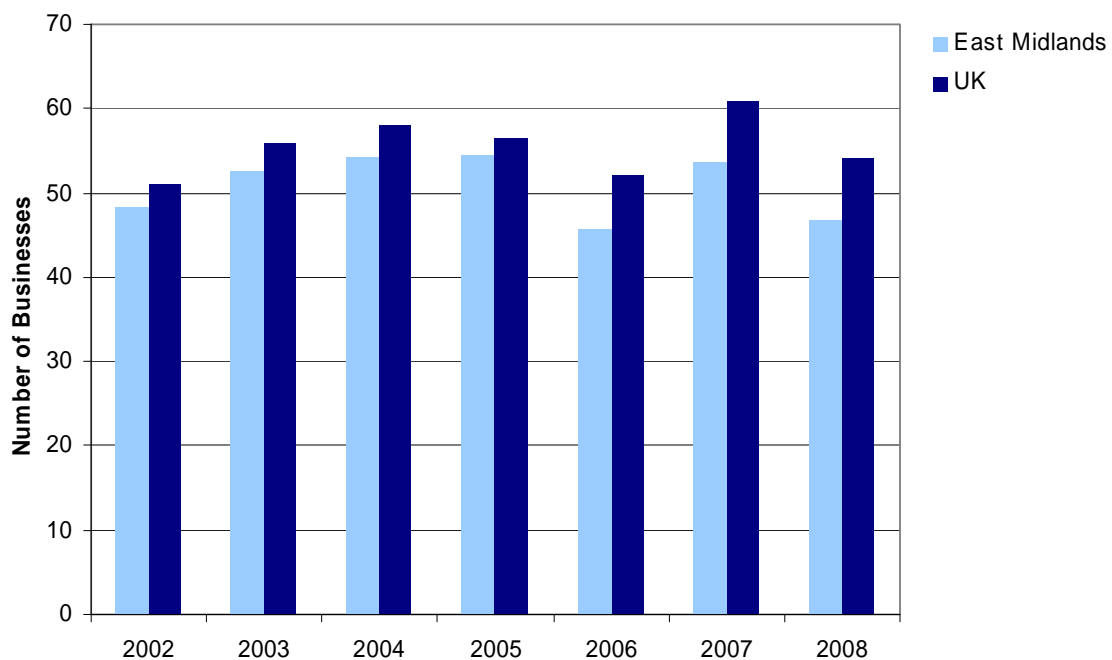


**Specifically:**

- The highest start-up rates are to be found towards the south of the region where Harborough and South Northamptonshire experience start-up rates of 73 and 71 businesses per 10,000 residents, adults respectively.
- Districts to the north of the region such as Bolsover, Bassetlaw, Ashfield, Broxtowe, Chesterfield and Mansfield and East of the region, such as East Lindsey experience lower business start-up rates.
- This analysis suggests there are relatively low business start-up rates in the region's urban centres e.g. Nottingham and Derby. This is a product of the high resident population in these districts rather than a lack of opportunities, or the overall number of start-up rates.

The number of business births in the East Midlands has fluctuated over time but has displayed no clear trend as illustrated by Chart 2.

**CHART 2: Change in business births per 10,000 resident adults 2002-2008**



Source: Business Demography: Enterprise Births, Deaths and Survival, Office for National Statistics, 2009 and ONS, Mid Year Population Estimates, Broad age bands, numbers, August 09, Accessed January 2010.

**Specifically:**

- The number of business births per 10,000 resident adults has fluctuated between a low of 46 in 2006 and a high of 54 in 2005.
- The same broad trend has occurred nationally where business start-ups have fluctuated between a low of 51 in 2002 and a high of 61 in 2007.
- No one region has experienced significant improvements in the number of business start-ups relative to the UK average.
- The chart shows that business births fell in both the East Midlands and United Kingdom between 2007 and 2008. This may have been brought about by a worsening of economic conditions as the economy entered recession. It is likely that business births fell further in 2009.



## Entrepreneurial activity in the East Midlands

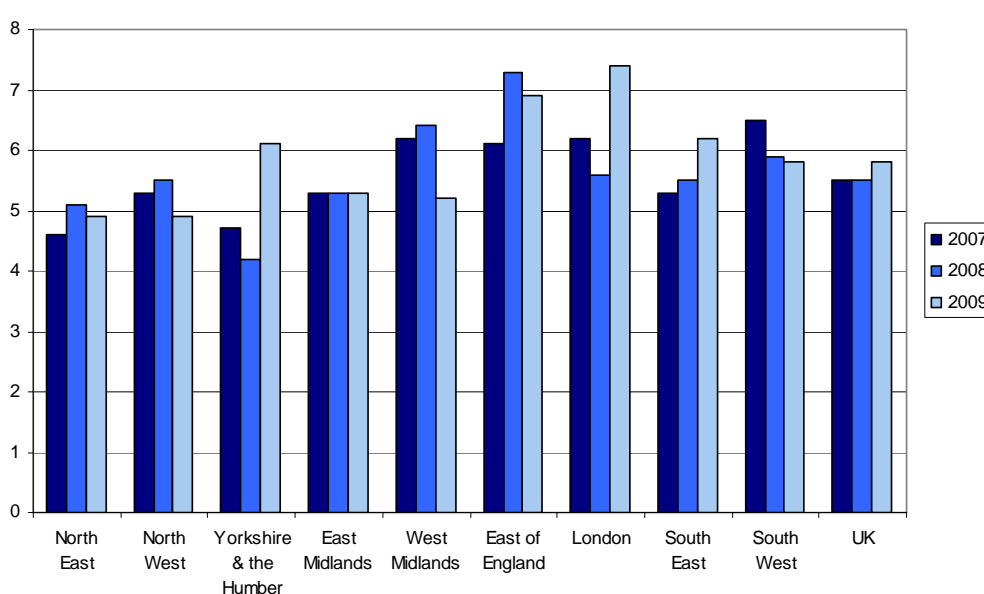
While business births provide a headline indicator of entrepreneurial activity in the region, there are limitations with the data. The most significant is that it does not provide a measure of wider ‘entrepreneurial culture’. However, the Global Entrepreneurship Monitor (GEM) survey, a survey of entrepreneurial activity among the adult population, provides some of this data.

### Total Entrepreneurial Activity

Total Entrepreneurial Activity (TEA) is the headline measure of entrepreneurial activity from the GEM survey. TEA is calculated as the sum of nascent entrepreneurs (those who said that they were actively involved in creating a new business that they would own all or part of and have not paid any wages or salaries to anyone for more than three months) and baby businesses (more established owner-manager businesses that have been running for between 4 and 42 months).

TEA is an important indicator of the relative strength and adaptive capacity<sup>5</sup> of an economy. Chart 3 presents the total entrepreneurial activity in the UK between 2007 to 2009, expressed as a percentage of adult population.

**CHART 3: Total entrepreneurial activity in the UK, 2007 to 2009 (% of adult population)**



Source: Global Entrepreneurship Monitor UK, Aston Business School, 2009

<sup>5</sup> The term ‘adaptive capacity’ describes a regions ability to respond to economic shocks. Levels of Education and TEA both enhance a regions capacity to respond to changing economic opportunities.



**Specifically:**

- TEA in the East Midlands was 5.3% in 2009, 0.3 percentage points below the UK average, and unchanged since 2007. This difference is not statistically significant.
- The highest levels of TEA are to be found in London (7.4%) and the East of England (6.9%).
- The lowest levels of TEA are to be found in the North East and North West, where 4.9% of the adult population were involved in entrepreneurial activity.
- Levels of TEA in UK regions have changed markedly in recent years. Areas which have experienced a decline include the North West, West Midlands and the South West. Areas which have experienced growth include Yorkshire & the Humber, the East of England and London.

There remains a substantial gap between the levels of entrepreneurial activity of males and females. In 2008, 3.7% of females were classed as entrepreneurially active compared to 6.8% of males. Whilst this gap is significant, it follows the national trend in entrepreneurial activity.

The data for 2009 does not suggest any decrease in the level of entrepreneurial activity due to the recession in either the East Midlands or the UK as a whole. This may be a product of entrepreneurs who were committed to their activity before the downturn took hold. It is likely that the level of entrepreneurial activity will be affected both positively and negatively by the current downturn. People may look to entrepreneurship as a source of income as conditions in the labour market deteriorate, but tight credit conditions may prevent much of this activity from occurring. The effects of the downturn will, therefore, be captured in future data releases.



## Entrepreneurial Activity by Group

**Gender:** In 2009, the female level of entrepreneurial activity in the East Midlands was 2.4% compared to 8.1% for males. Women are now just under a third as likely (29%) to be entrepreneurs as males in the region. The gap has widened markedly since 2008 due to a combination of a fall in female entrepreneurial activity (from 3.7%) and a rise in the rate of male entrepreneurial activity (from 6.8%). However, these changes in the male and female TEA rates since 2008 are not statistically significant.

**Age:** In the East Midlands, 2.4 per cent of young adults (aged 18 to 24) are engaged in total early-stage entrepreneurial activity compared to 3.4 per cent for the UK as a whole. This represents a fall of 2 percentage points since 2008 for this age group. The highest rates of entrepreneurial activity, both regionally and nationally, are to be found amongst those aged 25-34 and those aged 35-44. These groups have rates of entrepreneurial activity that are around 3 times higher than 18-24 year olds.

**Education:** Graduates are significantly more likely to be involved in early stage entrepreneurial activity than non-graduates. In the East Midlands in 2009 6.9% of graduates were involved in early stage entrepreneurial activity, compared to 4.6% of non-graduates. These numbers are similar to those for the UK. The data also shows the potential impact of enterprise education. Both regionally and nationally, graduates with enterprise training were around two and a half times as likely as those graduates without enterprise training to be involved in early stage entrepreneurship.

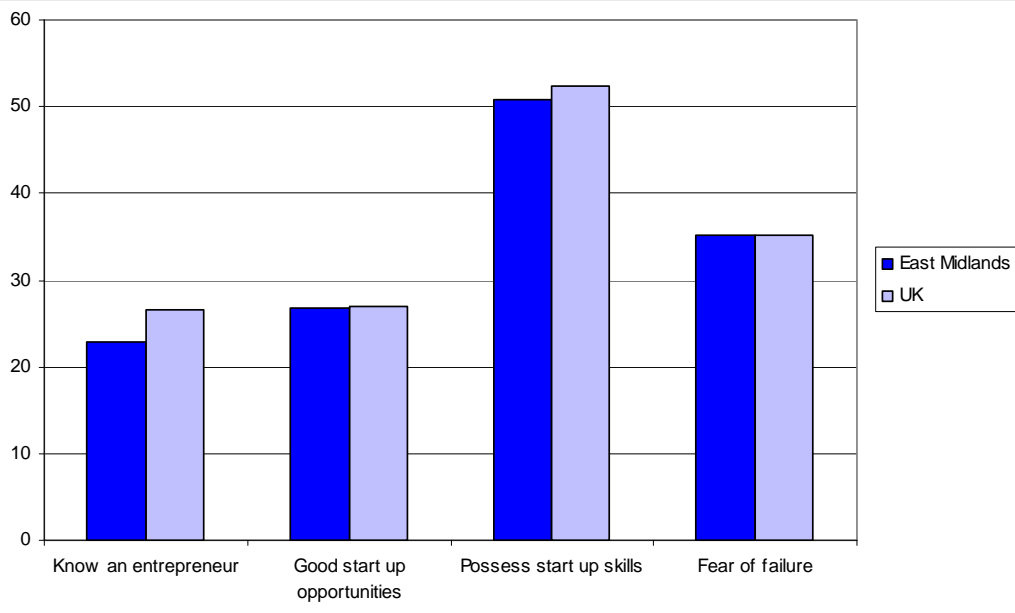
## Attitudes to Entrepreneurship

The GEM survey also questions people on their attitudes to entrepreneurship, focusing on whether people know an entrepreneur, whether people perceive there to be good opportunities for start up and whether fear of failure prevents people from starting a business.



Chart 4 shows that there is very little difference between the East Midlands and the UK on these measures. People in the East Midlands are slightly less likely to know an entrepreneur and slightly less likely to think that they possess the rights skills to start a business but these differences are not statistically significant.

**CHART 4: Attitudes to Entrepreneurship in the East Midlands 2009 (%)**



Source: Global Entrepreneurship Monitor UK, Aston Business School, 2009

**Learning Point**

*emda* and its partners have found the enterprise economic indicators difficult to influence. At times, for example, the number of start up businesses as a proportion of population has been close to the national average. However, our experience shows that combined investment is not always sufficient to overcome quickly the broader macro factors that influence our economy. There is also a time lag here. Investment in young people will only potentially develop into economic impact in future years to come.

