

## Agenda

Enterprising Coventry Partnership Board

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### Date and Time

30 September 2010  
2.30pm – 4.30pm

### Place

Committee Room 2  
Council House

## NOTE: THIS MEETING IS NOT OPEN TO THE PUBLIC

### Agenda Items

1. Introductions, welcome and apologies
2. Declaration of Interest (*Not already declared at previous meetings*)
3. **Minutes** – of the meeting held on 25 May (3A) & 28 June 2010 (3B)
4. **Matters Arising from Minutes**  
(Not covered on agenda)
5. New Process for Approving Minutes – R.McHugh
6. **2010/11 Performance Report** – R. McHugh
7. **Planning for the future** – A. Williams  
(Paper to be tabled at meeting)
8. **Any other items** which the Chair decides to take

Next Meeting – 22<sup>nd</sup> November 2010, Committee Room 7.

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### Board Members:

Councillor Mrs Linda Bigham (Chair), Councillor Ram Lakha, Councillor Gary Ridley, John Spencer, June Jeffrey, Clive Benfield, Elaine LeMontais, Carl Pearson, Dianne Williams, Jane Beaver and Stephen Banbury

### Advisors to the Board:

Rebecca Young/Paula Deas, Trevor Howard, Andy Williams, Ryan McHugh, Phil Roberts and Terry Cotton

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**ENTERPRISING COVENTRY PARTNERSHIP BOARD**

25th May, 2010

- Members Present:- Clive Benfield (Private Sector Representative)  
 Councillor Linda Bigham (Coventry City Council) - Chair  
 June Jeffrey (Coventry Community Empowerment Network)  
 Councillor Ram Lakha (Coventry City Council)  
 Janet McClean (for Jane Beaver, Job Centre Plus)  
 Carl Pearson (Assistant Director (Economy and Community),  
 Coventry City Council) - Vice-Chair  
 John Spencer (Private Sector Representative)  
 Dianne Williams (Coventry and Warwickshire Chamber of  
 Commerce)
- Advisors Present:- Terry Cotton (Government Office for the West Midlands)  
 Ryan McHugh (City Services and Development Directorate)  
 Kim Mawby (City Services and Development Directorate)  
 Phil Roberts (Advantage West Midlands)  
 Andy Williams (City Services and Development Directorate)  
 Rebecca Young (City Services and Development Directorate)
- Employee Present:- Liz Knight (Customer and Workforce Services Directorate)
- Apologies:- Jane Beaver (Job Centre Plus)  
 Trevor Howard (City Services and Development Directorate)  
 Elaine Le Montais (Midland Heart)

**9. Chair's Welcome and Introduction**

The Chair, Councillor Linda Bigham, welcomed everyone to the meeting of the Enterprising Coventry Partnership Board, held at the Council House, Coventry.

**10. Declarations of Interest**

Councillor Lakha declared an interest in his capacity as a Director of Willenhall Forum. He remained in the meeting for the consideration of all business.

**11. Minutes**

The minutes of the meeting of the Board held on 25<sup>th</sup> January, 2010, were agreed as a true record.

**12. 2009/2010 End of Year Report**

Ryan McHugh presented this report that had been circulated with the papers and provided a summary of the Enterprising Coventry Programme delivery during 2009/2010 and included the key highlights and achievements. A detailed performance table for this period was set out at in an appendix to the report.

In relation to the Business, Investment and Enterprise Services strand of the programme, a table summarising the performance over the year was set out in the report. Reference was made to the difficult economic conditions and to the crucial support provided by this service to help local businesses through the recession. During the year enterprise coaches had supported the formation of 188 new businesses, meeting 94% of the 200 target for the year. Of this number 40% were women-owned and 30% were owned by people from ethnic minority communities, both key target groups. It was encouraging to note that a high proportion, 40% of individuals registering for the service actually went on to start a business. The reasons for the success of the service included the intensive nature of the 'one to one' support provided; the use of the £500 discretionary start up grant; and the Barrier Breaking service which offered wider support alongside business advice on matters such as welfare benefits, childcare, confidence and financial practice. The results also showed that two thirds of businesses assisted by the programme were still trading after twelve months. Attention was drawn to the fact that the service had assisted a significant number of individuals who had been made redundant during the recession. In some instances self employment would be viewed as an interim solution and a business would be closed by an individual when they moved back to employment, consequently, such businesses should not be classed as failing.

A total of 282 businesses were assisted during the year, slightly short of the programme target of 300. Reference was made the City Council being short of delivery capacity and to the work of the Council's three partners who all over-achieved on their targets. This year the Business Coaching Service operated without access to grants and, although this made initial engagement more difficult, once contact was established it allowed the coaches to concentrate on effectively assisting the business rather than administering grants.

The report detailed the work of the two Relationship Managers who had built relationships with 36 of the City's strategically important employers sharing information, overcoming investment hurdles and accessing financial support.

Information was provided on sector development, with Enterprising Coventry having made an important contribution to transforming the economy of the City through strategic interventions in key business sectors. The contributions were directly supporting the Council's Business Investment and Enterprise Team and its partners work to facilitate and promote investment in innovative manufacturing and digital technologies. Examples included investment of £60,000 to the ongoing development of low carbon vehicles and investing in a pilot project to bring '3d virtual commerce' to Coventry.

Regarding inward investment, during this year Investing in Coventry helped to generate 23 new business investments in the priority neighbourhoods of the city. These investments, which totalled some £15.5m and created 207 new jobs, were a result of promotional events and direct interactions with prospective investors.

The report referred to the work of the Employment Services, during the last year some radical changes were made to this strand of the service in terms of services, working practices, posts and personnel. Capacity continued to be the most difficult aspect of the service, with three out of eight employment advisor posts remaining vacant.

A table summarising the 2009/2010 performance of the employment strand was set out in the report. The performance had been variable in the context of the difficult labour market conditions and the significant task of redesigning and rebuilding the service.

The service had supported 563 people into employment, representing 70% of the 800 target for the year. Attention was drawn to the data capture issues of trying to record the people still in employment after six months and to the action taken to ensure such data could be obtained.

The report set out the success of the two work placement schemes which had both exceeded their targets providing six month work placement opportunities and to the performance of the Construction Employment Unit which supported 160 people into jobs and 75 young people (NEETS) in sustained training schemes. The work of the Employment Support Service (TESS); the Probation Employment Team; and the new Recruitment Development Service was also highlighted.

Detailed information was included on the Barrier Breaking Service that provided support to Enterprising Coventry clients to help overcome barriers in their progression towards enterprise or employment. The service had been re-designed to enable greater integration with the Employment and Business strands. A total of 430 clients had been supported by the Employment Service with Barrier Breaking interventions. During the year the service had strengthened its linkages with the Enterprise side of the programme and had supported more people looking to start up in business, a 55% increase on the previous year. Working closely with the BIE Management Group, Barrier Breaking had commissioned a rolling programme of courses for clients moving into self employment, take up had been good with very positive client feedback. Reference was also made to the joint working with City Council's Workforce Development Team and NHS Coventry.

The report set out the financial outturn position at year end with further details being included in a second appendix. At the end of quarter four the underspend had increased from £633,440 to £726,900 mainly due to recruitment issues. At their previous meeting the Board had agreed to offer the one off savings back to the City Council to help meet their financial pressures.

The Board questioned officers on aspects of the report, matters raised included the location of the electric charging points on the city's streets for the electric cars due to appear in June; the possibility of Government spending cuts affecting the assistance currently given to the clients with learning difficulties/people leaving custody; and the number of young people who had been given full apprenticeships.

**RESOLVED that:**

**(i) Carl Pearson, Assistant Director, Economy and Community to supply Councillor Lakha with the list of locations for the electric charging points.**

**(ii) In relation to the Employment Strand of the programme and to the employment advisors now having individual monthly targets relating to sustainable jobs, an update report on this be submitted to the next meeting of the Board.**

**13. 2010/2011 Enterprising Coventry Programme**

Andy Williams presented this report that had been circulated with the papers and set out the service update for the Enterprising Coventry programme for 2010/2011.

Information was provided on the latest financial profile for the year, with the details being set out in an appendix attached to the report. There had been two changes since the

January Board meeting, firstly, a reduction in resources of £30,000 for the low carbon vehicle bid. Resources had already been identified from elsewhere to ensure that this bid goes ahead. Secondly, the marketing and engagement budget had been centralised and would now be co-ordinated through a full time marketing and communications officer who would work for Enterprising Coventry as part of the Corporate Communications team of the City Council, giving Enterprising Coventry a greater profile and access to more communication channels over the coming year.

This year the Business, Investment & Enterprise Services would have two core strategic outcomes:

- Enable 200 individuals to start up in business; and
- Support 400 existing businesses within key sectors and priority neighbourhoods sustain, grow and develop themselves.

Alongside these the private sector investment leveraged into the City would still be monitored.

Information was set out on the service developments which included the development of a self-employed opportunity as part of the Employment Placement Scheme; partnership working to provide a regional training programme for the enterprise coaches; and the development of the Business Innovation Fund, the principles for which had now been determined. It was anticipated that the first applications would be received during the summer.

Reference was made to the bid to secure additional resources from the European Regional Development Fund to deliver Enterprise Coaching Support from April 2011 to March 2014. The initial outline bid had received a favourable response from Advantage West Midlands.

The report indicated that this year the Employment Services had two core strategic outcomes:

- Support 900 individuals through personal barrier breaking and into sustainable employment
- Enable 300 individuals to take up work placements and/or apprenticeships

Service developments in this area included the establishment of a cross-team Engagement Taskforce who had developed a new over-arching engagement plan which was already having a significant impact. There was now a real momentum to engagement activity and the strong leadership provided through the Taskforce, which currently set weekly actions, was already leading to results in terms of the number of people registering with the programme.

The service was focused around specific client groups, giving a balance of both short and long term unemployed, to reflect the dynamic changes in the labour market. It acknowledged the availability of other services and programmes within the city including Job Centre Plus and DWP providers. The target client groups had recently been adjusted and the report set out who the service would now support. Further information was provided on the improved job search services for Enterprising Coventry clients and the successful trial of the Employment and Health Check project.

The year ahead was likely to be challenging. The new employment service was now in place and would be tested in the months ahead. At the same time the labour market was likely to remain dynamic with various post election predictions seeing differing prospects and the potential reductions in public sector employment. It remained realistic at this stage to achieve the 2010/11 targets, but this was against a dynamic backdrop and would require active management to achieve the best results possible.

At the last Board meeting it was agreed that any further agreements with WATCH and WEETC to deliver services as part of Enterprising Coventry, should be related to performance (outputs), and they decided that if these were not available, services should be commissioned from the market on a performance basis from 1 July 2010. Andy Williams reported that an agreement had now been reached with WEETC and WATCH and Councillor Lakha expressed support for the work of the officers.

The priority for the Employment Team for the year was to ensure that its employment contracts aligned with the core strategic outcomes, which required a large volume of under-employed and workless clients to move into sustained jobs. Reference was made to the approach through the Workshop in Riley Square which had successfully led to 20 job outputs over a three month period with a further 11 to claim. At the same time relationships with third sector organisations were also being strengthened to ensure a robust referral relationship. For Enterprising Coventry this would mean increased access in deprived areas through organisations that already had credibility with local people, allowing the Team to provide their intensive and tailored support to assist individuals into sustained work.

The work of the Employment Service in the future was likely to be seen under two umbrellas; one strand which focused on work with specialist groups and in deprived communities with people who may need more tailored and intensive support and another which dealt with larger volumes of clients who are closer to the labour market but still require personalised assistance to secure sustained work. As such it was important that the 'volume' work was based around output related contracts, which the Board agreed at the last meeting. On going discussions with WATCH and WEETC may well indicate that beyond March 2011 their role focused more on engagement of people within communities and neighbourhoods. This approach would allow for both output related contracts and supportive referral relationships to be established across the City.

The Board questioned officers on aspects of the report, in particular the issue of European Regional Development funding and the work of Advantage West Midlands. Attention was drawn to the benefits that had been secured for the city and information was provided on the implications for the future in light of the current economic climate. There was an acknowledgement that difficult decisions might need to be taken once the reductions in Government spend were known.

Further discussion centred on the negotiations with WATCH and WEETEC. The Board placed on record their thanks to the officers involved in the recent discussions and Carl Pearson, Assistant Director Economy and Community, outlined his intention to investigate the communication issues that had arisen.

Andy Williams provided clarification that work was ongoing to ensure that resources for 2010/2011 would be fully utilised.

**14. Any Other Business – Looked After Children**

Diane Williams, Coventry and Warwickshire Chamber of Commerce, informed of the proposal to ring fence six places on the Employment Placement Scheme for the city's Looked After Children. Work was ongoing with Bridget Armour and officers within Human Resources to identify appropriate young people. The project would run for six months and it was hoped that the trial would lead to apprenticeships for the young people involved.

**RESOLVED that an update on the project involving the Looked After Children be made at the next Board meeting.**

**15. Any Other Business – Construction Industry Project**

Diane Williams, Coventry and Warwickshire Chamber of Commerce, referred to the requirement to build sustainable housing in the city and to the lack of appropriate training available for those working or wanting to work in the construction industry. She drew attention to a project involving Orbit Housing and the local construction industry. The City Council had provided land for two demonstration homes to be built to allow individuals to view the new building techniques. The project was to be managed by a Doctor in Engineering from Coventry University to ensure that the necessary training was provided to allow local businesses to deliver these new ways of working.

The total cost of the project was £60,000 over the next four years and a contribution of £16,000 was required. Carl Pearson, Assistant Director Economy and Community, informed that funds had been set aside from the previous year's budget to support initiatives in construction. Members of the Board outlined their support for this initiative.

**RESOLVED that support be given to the above proposal to provide a financial contribution of £16,000 towards the costs of the project to build two sustainable show houses in the city.**

**16. Date of Next Meeting**

The Board noted that their next meeting was likely to be held in August 2010.

**ENTERPRISING COVENTRY PARTNERSHIP BOARD****28th June, 2010**

- Members Present:- Councillor Linda Bigham (Coventry City Council) - Chair  
 Geraldine Fisher (for Jane Beaver, Job Centre Plus)  
 June Jeffrey (Coventry Community Empowerment Network)  
 Councillor Ram Lakha (Coventry City Council)  
 Carl Pearson (Assistant Director (Economy and Community),  
 Coventry City Council) - Vice-Chair  
 John Spencer (Private Sector Representative)  
 Dianne Williams (Coventry and Warwickshire Chamber of  
 Commerce)
- Advisors Present:- Terry Cotton (Government Office for the West Midlands)  
 Paula Deas (City Services and Development Directorate)  
 Trevor Howard (City Services and Development Directorate)  
 Ryan McHugh (City Services and Development Directorate)  
 Andy Williams (City Services and Development Directorate)  
 Rebecca Young (City Services and Development Directorate)
- Employee Present:- Liz Knight (Customer and Workforce Services Directorate)
- Apologies:- Jane Beaver (Job Centre Plus)  
 Clive Benfield (Private Sector Representative)

**17. Chair's Welcome and Introduction**

The Chair, Councillor Linda Bigham, welcomed everyone to the emergency meeting of the Enterprising Coventry Partnership Board, held at the Coventry and Warwickshire Chamber of Commerce, Binley Business Park, Coventry.

**18. Declarations of Interest**

Councillor Lakha declared an interest in his capacity as a Non-Executive Director of Willenhall Education and Employment Centre. Dianne Williams declared an interest in her capacity as Operations Manager at the Coventry and Warwickshire Chamber of Commerce. They remained in the meeting for the consideration of all business.

**19. Making the Proposed Department for Communities and Local Government Savings**

Andy Williams presented this report that was tabled at the meeting and set out proposals to make savings in Coventry's LEGI funded activity. The City Council had been tasked with making savings of £3.5m in the current financial year. Within this the Department for Communities and Local Government (CLG) had identified LEGI savings from the programme of £829,000 which represented a 23% cut in overall grant, the same percentage cut across all 20 LEGI areas. The report provided more detail on the national context for savings; the CLG announcement for LEGI and the Enterprising Coventry Programme; and outlined the preliminary work that the Programme Team and Managers

had done to produce initial proposals for savings. Reference was also made to the requirement for the Board to consider the future direction of Enterprising Coventry services post March 2011 in the difficult economic times and whether the priorities of the Board is to continue with a bespoke, intensive, 1:2:1 business, enterprise and employment service at a time when demand for support was continuing to increase from both people and businesses.

The Board gave consideration to the following revised overall strategy for the 2010/11 programme to allow savings to be made:

- Minimising impact on clients of the Programme – unemployed less than 12 months, BME, those with disabilities, NEETS, under employed and local businesses
- Minimising reputational damage to Enterprising Coventry with national and local partners
- Completing the existing contracts within the existing programme
- Migrate the services within the Programme – Business, Investment, Enterprise and Employment work to new funding and/or new commissioning through the Department for Work and Pensions (DWP) and the Department for Business, Innovation and Skills (BIS)
- Invest in opportunities of a new 'Regeneration Fund' as invited by CLG

The Board gave agreement to the revised overall strategy for the 2010/11 programme.

The Board gave consideration to the following principles used to determine the detailed savings proposals:

- Limiting front line service impacts to existing clients
- Withdrawing resources that are uncommitted and contracts not under seal
- Utilising existing staff to work more effectively in different roles
- Maximising the ability to charge services out to departments, organisations and existing and future funding streams
- Further consolidation of services that are similar
- Consideration to the services the Enterprising Coventry Programme should comprise of beyond 2011, in line with the policy areas so far described by the new government.

The Board, whilst mindful of the requirement to make funding cuts, expressed their concern at having to take decisions that would impact on some of Coventry's most vulnerable citizens. Carl Pearson, Assistant Director (Economy and Community) referred to the difficulties of not knowing the funding arrangements for 2011 and the need to 'keep Coventry in the game' to be able to take advantage of any future opportunities for employment and enterprise services. Discussion centred on the appropriateness of reviewing all areas, taking account of the principle of equity. The Board requested the inclusion of the following addition:

- Strive to apply the principle of equity

The Board gave agreement to the above proposals.

The report referred to the initial work undertaken by the Programme Team that suggested the required savings of £829,000 could be met. There was an acknowledgement that this would be challenging and would pose a risk to the outcomes of

the programme. Front-line services delivered to local unemployed people and business would be affected, despite every effort being made to limit the impact. An appendix to the report detailed the savings proposals. Andy Williams gave a detailed explanation for each of the following individual proposals which the Board considered at length, taking into account the service area; the deliverers; the level of the financial cut and the percentage of their total budget; the service implications and the effects on outcomes. For ease of reference, a table setting out the original programme outputs for 2010/2011 was also tabled at the meeting. Members of the Board questioned the officers further on the service implications and the effects on outcomes.

<b>Service Area</b>	<b>Proposed Cut - £</b>
Enterprising Coaching & Business Start Up	50,000
Business Coaching	50,000
Business Relationship Managers	20,000
Investing in Coventry	95,000
Citywide Business Growth and Innovation	200,000
Client Relationship Management System (BI&E)	12,000
Personal Barrier Breaking Interventions	115,000
People into Work Employment Service	110,000
Employer Engagement and Vacancy Generation	30,000
Client Relationship Management System (ES)	45,000
Programme Management, Marketing & Evaluation	105,000

The report set out the consequences of the savings proposals. Headline impacts included a reduction of up to 20 individuals starting new businesses; a reduction of up to 160 people moving into work; a reduction in safeguarding up to 30 local businesses and assisting them in growth and development; a reduction of up to 375 work opportunities (jobs and placements); and stopping key strategic work not yet commissioned. It was estimated, prior to discussions with partners, that this change in services would mean a reduction in 7.5 vacant posts for the City Council and 0.5 for partners.

The Board Members questioned the officers about the timescales for implementation. Carl Pearson drew attention to the Council's political approval process and highlighted that officers within the Council's Finance Directorate were also looking at a number of options for financial savings which could require additional savings to be made from the Enterprising Coventry Programme.

The Board voted unanimously to accept the above detailed proposals to make the required £829,000 savings, acknowledging that this was a minimum amount, and placed on record their thanks to the officers for the detailed work already undertaken.

The report set out taking the proposals forward with partners recommending communicating the key messages agreed by the Board. It was the intention that, over the next two days, the Enterprising Coventry Programme would be meeting with contracted partners to work through the implications of the proposals. There was an acknowledgement that the Chair, Councillor Bigham, would provide confirmation to this approach prior to any meetings taking place or correspondence being circulated.

The Board gave consideration to the future direction of business, investment, enterprise and employment services acknowledging the need to act immediately to meet existing commitments and shaping services to be fit for purpose post March 2011.

Reference was made to the publication of the comprehensive spending review on 20th October, 2010 that would determine the funding options available from the Government.

The Board gave consideration to the following as priorities to enable services to continue beyond March 2011:

- Explore options for the delivery of this work in the future including the concept of and the opportunity for the Council to establish a Local Enterprise Partnership (LEP) as detailed in the new Government's manifesto
- Explore the options for funding this area of work from established funding streams such as European Social Fund (ESF) and new opportunities including: a possible Regeneration Fund through CLG; new funds for employment work through the new DWP Work Programme; and other opportunities as they emerge
- Discuss priorities and potential options post March 2011 at the August and November Board meetings.

The Board put forward the following additional priorities:

- The recommendations to be submitted to the Public Service Board with Members of this Board making representations to the Chair, Martin Reeves, regarding the establishment of a strategic Board for Coventry, Solihull and Warwickshire
- Consideration to be given to the amalgamation of service areas to provide potential efficiency savings and to explore new ways of working

The Board gave agreement to the above priorities.

**RESOLVED that:**

**(i) The revised overall strategy for the 2010/11 programme be approved.**

**(ii) The principles used to determine the detailed savings proposals including the additional principle set out above be approved.**

**(iii) The detailed proposals to make the required £829,000 savings be approved.**

**(iv) The next steps in shaping future services including the additional priorities set out above be approved.**

## **20. Any Other Items of Business**

There were no additional items of business.

## **New Process for Approving Minutes Enterprising Coventry Partnership Board**

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### **1 Background**

- 1.1 Board members will be aware that the Enterprising Coventry Partnership Board is a private meeting that is not open to the public.
- 1.2 The minutes and papers from the meeting are made available to the public (via the Enterprising Coventry website) once the Board agrees that the minutes are a true record of the meeting and discussions that took place.
- 1.3 Based on the current arrangements there can be three months between Enterprising Coventry Partnership Board meetings, so a significant delay takes place before the Board approves the minutes of the meeting and the papers are made public.
- 1.4 The dynamic nature of the current funding and policy environment means there is a need to streamline this approval process and make the Boards discussions and decisions available to the public more quickly.
- 1.5 The Board is asked to discuss and endorse the new process to review minutes.

### **2 Proposed Process**

- 2.1 City Council Governance Services support the Enterprising Coventry Partnership Board meetings and take the minutes of the meeting.
- 2.2 City Council Governance Services will draft the minutes of the meeting within 7 working days.
- 2.3 The draft minutes will be circulated to the Board and members will be asked to review the content and check that they are an accurate record of the deliberation of the board. Board Members will be asked to respond within 10 working days.
- 2.4 If a Board member does not respond during this period, it will be deemed that the member has no matters of accuracy and that the minutes are a true record of the meeting.
- 2.5 Following the 10 working day review period, any accuracy changes will be made to the minutes and circulated back to the board as an agreed set of minutes that can be made available to the public.
- 2.6 The approved minutes will be taken to the next Enterprising Coventry Partnership Board meeting so any actions and matters arising can be raised and reviewed.

## Agenda Item 6: 2010/11 Performance Report September 2010

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### 1 Introduction

- 1.1 This report provides a summary of Enterprising Coventry Programme delivery during 2010/11 to date, including the key highlights and achievements.

### 2 Implementation of 2010/11 Budget Savings

- 2.1 Following the decisions taken at the Enterprising Coventry Board emergency meeting on 28<sup>th</sup> June 2010, the 23% in year budget savings have been made across the programme.
- 2.2 The Enterprising Coventry Programme Team has worked with all providers to implement savings whilst minimising the impact on outcomes. All partners understand the nature of the cuts imposed, however, one partner has had to make two members of staff redundant to deal with the financial cuts.
- 2.3 As discussed at the last Board meeting, these savings cannot be made without impacting upon the outcomes that the programme can deliver. The resulting reduction in targets agreed by the Board are included in the table below.

Headline Impact on Outcomes	Reduction of up to	
	Outputs	% of total
Reduction in individuals starting new businesses	20	10%
Reduction in the number of people moving into work	160	13%
Reduction in safeguarding local businesses, and assisting them in growth and development	30	10%
Reduction in the number of work opportunities (Jobs & Placements)	375	25%
Stopping key strategic work not yet commissioned, around increasing the City's competitive advantage to attract investment and encourage reinvestment to emerging corporate agendas around health, well being and environmental sustainability	tbc	100%

### 3 Performance

3.1 A detailed 2010/11 performance table is available in Appendix 6A.

### 4 Business, Investment and Enterprise Services

4.1 The table below summarises the performance for the BIE strand of the programme between April to August 2010.

Outcomes	2010/11			2010/11		2010/11
	Q1	Q2* (to Aug 10)	Forecast (Sept 10 Q3 & Q4)	Year to Date Achievement		Target
				Absolute	% against target	
Business Start Up	59	28	97	87	47%	184
New businesses still trading after 12 months	35		n/a	35	74%	48
	51%		n/a	51%	n/a	70%
Business Assists	73	57	142	130	48%	272
Increase in New Sales	£ 14,000.00	tbc**	n/a	£14,000	n/a	n/a
New Jobs Created	105	101	tbc**	206	100%	207
New Business Opportunities Created Through New Investments	6	2	16	8	22%	37

4.2 **Enterprise Coaches.** Board members will be aware that the Enterprise Coaching service was designed to attract individuals interested in starting a business, who generally do not engage with mainstream services. During the period in question we can be confident that we have been successful in doing this.

4.3 A total of 143 individuals received support from the Enterprise Coaches (in this case the term 'support' indicates substantive assistance in the form of a tailored action plan). From this total, under-represented groups feature prominently. Most notably, almost half (48%) were unemployed, more than one third (35%) were claiming benefits of some kind, 30% were from minority ethnic communities, one in three (34%) were women and a significant proportion (15%) were lone parents. It is also encouraging to note that just under one in three individuals accessing the service were young people (defined as those in the 18-30 age bracket).

4.4 Whilst this might be encouraging, the real test of its effectiveness is to look at the numbers that convert into hard outputs in the form of business starts. On this issue, the trend is a positive one. From April to August 2010, the Enterprising Coaching service was responsible for a total of 87 business starts.

- 4.5 Bearing in mind that those individuals starting a business during this period are likely to have been engaged prior to April, the types of individual accessing the service show remarkable similarities with those currently starting a business. For instance, half of those starting a business since April were previously unemployed and more than a third (35%) used to claim benefits. As far as particular groups are concerned, just under one in three businesses were started by individuals from minority ethnic communities; at the same time, women were responsible for 45% of business starts whilst young people accounted for 29%. The main point to emphasize is that the service is not only used by under-represented groups but, once they are engaged, they then go on to make significant achievements that otherwise wouldn't have happened.
- 4.6 Moreover, we can see from the statistics that just over half (51%) of businesses started are still trading after 12 months. This, in itself, is on a par with the 50% survival rate associated with mainstream programmes (Enterprising Coventry has continued to work towards an aspirational target of 70%). However, it should be pointed out that the checking process for business survivals can take some time. At the time of writing we know for sure that 17% of business starts are no longer trading meaning that the status of a significant number of businesses is still to be ascertained. With this in mind we can be fairly confident that the eventual survival rate will be appreciably higher than the 51% that we know about now.
- 4.7 As reported at previous Board meetings it is recognised that some individuals have treated self employment as an interim solution to unemployment during the recession. A business may not have failed in the usual sense but the owner may have moved back into employment and closed the business.
- 4.8 With this in mind, it is worth making some observations about how the type of ways that the service has assisted individuals:
- The impact of the discretionary £500 grant should not be underestimated. The grant is often a key factor in helping individuals meet initial start up costs. And, as the grant is discretionary, it encourages potential businesses to take a critical look at their forecast finances. Where necessary, Enterprise Coaches have supported individuals in accessing bank loans.
  - A number of individuals thinking of starting a business often lack the necessary market research and this is an area where the Enterprise Coaches have provided much-valued assistance.
  - In the same vein, some individuals draw upon the expertise of Enterprise Coaches to identify and secure suitable premises to start trading.
  - For women entrepreneurs, especially those returning to the labour market, Enterprise Coaches have assisted with matters of personal confidence.
- 4.9 It should be emphasised that the Enterprise Coaches do not operate in isolation. Indeed, there is strong and well-developed relationship between the Enterprise Coaches and the Barrier Breaking service that also forms part of the Enterprising Coventry programme. Indeed, the Barrier Breaking service has supported 27% more Enterprise Coach clients than at the same point in 2009/10, offering training programmes in networking, bookkeeping, sales, e-marketing and confidence building. In addition, Enterprise Coaches have a wide knowledge of other added value services, outside the Enterprising

Coventry programme, that may be useful to clients and frequently refer into these.

- 4.10 **Business Coaches.** Enterprising Coventry's Business Coaching service focuses upon providing direct one-to-one coaching for small businesses in priority sectors and those that are owned by women or individuals from minority ethnic communities.
- 4.11 During the period in question, the Business Coaches assisted 128 small and medium sized enterprises in Coventry with a substantive business issue. It should be kept in mind that the nature of any 'assistance' needs to be confirmed by the business itself. In other words, the client defines whether assistance has taken place; it is not a term that is externally applied.
- 4.12 From the 130 businesses assisted, just under two-thirds (63%) claimed that they were still experiencing the negative effects of recession. As there has been very little, if anything, in the way of support for businesses in such circumstances from mainstream services, Enterprising Coventry has undoubtedly addressed an unmet local need.
- 4.13 Enterprising Coventry has assisted local businesses from a wide spectrum of sectors. Interestingly, one in three is from retail. Once again, this illustrates how the service adds value: most mainstream business support is partly funded by European Union resources making the retail sector largely ineligible for support. However, no such restraints apply to Enterprising Coventry; indeed, retail development is integral to several area investment initiatives in Coventry such as the City Centre and Far Gosford Street.
- 4.14 Other notable sectors where business assistance has been successfully delivered include Contracted Services (15%), Professional Services (13%), Hospitality and Leisure (11%) and Manufacturing & Technology (9%).
- 4.15 As with new business start ups, it is perhaps useful to outline to Board members how the Business Coaches have actually assisted local companies. Below are the main areas where Businesses Coaches have helped:
- Finding innovative and affordable ways of marketing products or services
  - Increasing sales with existing customers and attracting new ones
  - Tackling shrinking or declining markets due to uncertain economic circumstances
  - Introduction of new technologies and media
  - Addressing the challenges associated with rising costs
- 4.16 More specifically, Business Coaches have been responsible for some notable achievements whilst supporting local businesses in the manufacturing, digital and creative sectors. Through a dedicated programme of informative networking events, Business Coaches are demonstrating key development tools and engaging with businesses in new programmes of work. Furthermore, Coaches are working with colleagues in the New Deal for Communities area of the city to target the many and varied businesses operating there.
- 4.17 Additionally, Coaches are working with an investment officer and the procurement team at the City Council to encourage local producers to tender for local authority contracts. Enterprising Coventry has facilitated the purchase

of a bespoke database to support this activity. In a parallel piece of work in the aerospace sector, nine local companies have been brought together in a formal collaboration to attack new markets. With this mind, the newly created Coventry and Warwickshire Aerospace Forum was launched at the Farnborough Air Show by local MP Bob Ainsworth.

- 4.18 In terms of new sales generated through this work, only £14,000 has been recorded to date. This is typical of this outcome measure as new sales resulting from Business Coach interventions earlier in the year take some time to be achieved, then monitored and reported. We would expect a significant increase in new sales to be reported in Quarter 3 and 4. Despite new sales not being a key target for delivery partners working to output based contracts (business assists is the main output), the programme actively measures increases in sales to show the impact of the business support provided.
- 4.19 **Relationship Managers.** The Relationship Managers' role has been to build relationships with strategic businesses in Coventry and its immediate surroundings. In doing this, the Relationship Managers obtain and then provide information to the businesses and also to the City Council. This activity has been undertaken with the following objectives in mind:
- **Businesses:** To inform their senior management on the assistance and support available to them, particularly in respect of employment and training of employees. Also the Relationship Managers identify matters of strategic concern which may act as a barrier to continued investment within the city.
  - **City Council:** To inform officers about the issues of concern to business with a view to identifying a solution. This intelligence is also used to inform the development of the Council's strategic economic planning process.
- 4.20 From the work undertaken by the Relationship Managers, major investors have identified the following reasons for locating in the Coventry area:
- Costs of employment and occupation of premises is relatively lower. This accounts for the significant presence of many major call centres e.g. IBM, Barclays, HSBC, Nationwide
  - Central location within the UK attracts major distribution centres e.g. DHL, City Link, Wolesley, Federal Express
  - Proximity to skills and engineering expertise attracts automotive and aerospace supply chain especially in the developing niche vehicle and new technology sectors.
- 4.21 Assistance with employment is perhaps the most relevant direct service provided by the City Council to major employers. Specifically, employers are attracted by the temporary recruitment service suitable for hotels and retailers at Christmas and the provision of subsidised placements for graduates and unemployed people.
- 4.22 The impact of the Relationship Managers is illustrated by the following:
- **Coventry Prototype Panels:** investment by Spyker in manufacture of new sports cars.
  - **Modec:** continued investment in new electric vehicle production and development of export sales.

- **UYT and Terex:** support during the 2009 recession was critical to them maintaining their presence in Coventry.
- **Coventry Airport:** direct support to the tenant businesses employing 400 people in 2009 when the airport closed.
- Support to the **City Centre development agenda** particularly in Spon Street and Far Gosford Street, to assist retail businesses overcome barriers to continued trading.
- Since April 2010 **regional business growth grants** have been secured for two local businesses. Applications are being prepared for seven more which, if successful, will lead to the creation of more than 300 jobs and stimulate investment in excess of £5 million.

- 4.23 In the **medical technologies sector** the City Council's Relationship Manager is working with the Health Design Technology Institute at Coventry University, and Warwickshire County Council, to host a key business engagement event later in the year. In support of this, a short economic scoping exercise is being prepared by Coventry University to understand how local businesses might diversify into medical and assistive technologies and what economic benefits could emerge.
- 4.24 **Sector Development.** The programme to encourage the design, manufacture, deployment and understanding of low carbon vehicles in Coventry continues to make excellent progress. Financial support from the Government remains intact and another round of applications from cities like ours that have already demonstrated commitment to building infrastructure is invited. As part of an integrated transport initiative the Memorial Park, Park and Ride scheme is to be serviced by electric buses thanks to support from Enterprising Coventry.
- 4.25 A report looking into the economic advantages that a proactive environmental technologies programme might bring to Coventry has just been finalised. Supported by Enterprising Coventry, and commissioned from Coventry University, the report shows that the city's potential share of investment in the sector amounts to at least £1.9 billion, equivalent to 26,000 jobs. We are working with colleagues delivering the employment services of Enterprising Coventry to identify how this major opportunity can be optimised for local people.
- 4.26 In yet another area of work, a ground breaking pilot to develop and trial the use of 3D virtual technology is nearing completion. This work has been funded by Enterprising Coventry. This immensely powerful economic, communications and planning tool will be demonstrated in the next few weeks.

4.27 **Inward Investment.** 8 new investments, totalling £5.1m have been secured between April and August 2010. These investments have created 205 new jobs.

<b>New Investments - April to August 2010</b>				
<b>Business</b>	<b>Location</b>	<b>Sector</b>	<b>Jobs created/ safeguarded</b>	<b>Value of investment</b>
FM Packaging	Binley	Packaging/Distribution	(Safeguarded) 5	295,797
Skills Funding Agency	Cheylesmore	Skills/Education	7	90,766
Deltatheta UK Ltd	Coventry University Technocentre	Software Engineering	4	81,580
Printright	Stoke	Printing	4	141,515
Christy Hydraulics	Central City Industrial Estate	Engineering Supplies	10	83,097
British Gas	Prologis Park	Energy	80	822,268
Fraikin	Binley	Vehicle lease hire/maintenance	25	2,676,455
Johnson Controls	Meriden Business Park	Automotive	75	1,206,843
		<b>Total</b>	<b>210</b>	<b>£5,102,524</b>

4.28 Generally, the number of investment enquiries received by the team are lower than in previous years due to the recession, however, discussions with commercial property agents has confirmed that interest in industrial and retail property is improving, whilst demand for office space remains slow.

4.29 **Severn Trent.** The opening of the Severn Trent head office during September will be accompanied by a PR campaign that will help to raise the profile of the city and attract the attention of potential investors. A welcome brochure has also been produced for Severn Trent employees, encouraging staff to visit the city centre and use the facilities on offer, generating further footfall and expenditure.

4.30 **Public sector relocation.** Coventry has successfully attracted Government departments to relocate to the city in recent years including the Qualification & Curriculum Development Agency and Ofqual. Coventry has been accepted as a suitable location given its one hour travelling time from central London. However, the ongoing public sector spending review has put a hold on such relocation work. Investing in Coventry is awaiting the outcome of the spending review in October before deciding how pursue this area of investment in future.

4.31 **Inward investment promotion.** The team have recently produced a new Relocation Brochure and an Investor Prospectus detailing the new schemes and development land opportunities across the city. Copies of these materials are enclosed with these papers.

## 5 Employment Support

5.1 The purpose of the Employment Service is to support people into work, jobs, placements, apprenticeships, work experience and self employment. Then to work with people to sustain these opportunities in a way that achieves a long term improvement in their quality of life.

5.2 The table below summarises the 2010/11 performance for the Employment strand of the programme.

Outcomes	2010/11			2010/11		2010/11
	Q1	Q2* (to Aug 10)	Forecast (Sept 10 Q3 & Q4)	Year to Date Achievement		Target
				Absolute	% against target	
People Assisted Into Employment β	203	251	286	454	61%	740
People still in employment after 6 months	tbc **	tbc **	tbc **	tbc **	tbc **	444
	tbc **	tbc **	tbc **	tbc **	tbc **	60%
People Assisted Into Work Placements Ω	81	57	164	138	46%	302
Jobs Identified	189	5	400	194	13%	1500
Placements Identified	150	23	126	173	43%	400

5.3 **Employment Delivery Team.** Performance within the Employment Delivery Team has significantly increased in quarter 2 following a slow start with delivery only taking place effectively from April 2010. Despite the economic conditions the service has been turned around and performance is now on target. This improvement in performance is due to changes made within the service which include:

- Establishment of an Engagement Task Group to re-focus engagement activity, establish more effective referral & partnership mechanisms and to lead on Recruitment Events and promotional work.
- Strengthened partnership arrangements with Jobcentre Plus.
- New client registration process via the City Council Jobs website
- Significant changes to the city centre job club, which include venue, display of vacancies and offering of employability workshops.
- Amended management arrangements which include re-assignment of neighbourhood areas, individual Employment Advisors Plans and an Adherence Process which manages performance on a weekly basis.

5.4 Following the CLG budget savings, the service has had to reduce capacity both internally and through its delivery partners. However, the existing team has been restructured to ensure that front line delivery has not been adversely

affected and therefore we are confident that the budget savings and reduced targets for the service can be delivered.

- 5.5 **WATCH, WEETC and Pertemps.** New contracts are now in place for WATCH, WEETC and Pertemps that include output based payments from Quarter 2 2010/11. Early indications show that quarter 2 job outcomes achieved through these contracts is improving compared to previous quarters. A robust performance monitoring system is in place to ensure that these contracts delivery the outcomes required.
- 5.6 **People still in employment after 6 months.** As discussed at the May 2010 Board meeting the Employment Team have encountered some data capture issues when trying to monitor this indicator. Employment Advisors are continuing to contact clients to see whether they are still in employment after 6 months, but it continues to be difficult to track individuals down. Following discussions with Jobcentre Plus, it's been agreed that Jobcentre Plus can assist the programme with the monitoring of this performance measure. The Jobcentre Plus database will be used to identify if clients have started to reclaim benefits or not, the assumption being that if an individual isn't claiming benefits they remain in the work. Following this development we expect a more accurate 'People still in employment after 6 months' to be available at the end of quarter 2. Once available, an update will be forwarded to the Board.
- 5.7 **Work Placement Schemes.** The placement schemes are performing well and are on target. During 2010/11 the Employment Placement Scheme has placed 59 clients into placements whilst the Future Jobs Funds has supported 79 individuals. There has been lots of demand from employers for both managers/executives and graduates. However, the project has been unable to fully meet the demand for graduate placements due to restrictions around recourse to public funds for overseas students and availability of other schemes. At present, 44% of Employment Placement Scheme clients have secured sustainable work following their placement.
- 5.8 Joint working between Council departments and the flexibility of the placement schemes has resulted in 2 Looked After Children securing a work placement, with a further 5 to be placed.
- 5.9 **Construction Employment Unit.** The Shared Apprenticeship initiative is currently recruiting the first intake of clients and there has been significant interest in this opportunity, particularly from the NEET client group. In addition, there will be more Construction Training available for NEETS with a further 42 places for young people available until the end of March. To date, 10% of the NEETs supported with Construction Training have been looked after children.
- 5.10 **The Employment Support Service (TESS).** The Employment Support Service is continuing to support clients with learning disabilities or significant mental health issues. 8 people have been supported into work since April 2010. The team is developing a Learning Disability Employment Plan, to increase numbers in employment, whilst the Mental Health Employment Project delivered with the Coventry & Warwickshire Partnership Trust has been extended until November 2010.
- 5.11 The service has been nominated for the Guardian Public Services Award 2010, whilst the 'Making the Case' and 'Making it Happen' DVDs have recently been launched engaging employers around the employment of people with disabilities. Copies of these DVDs are available to Board members.

- 5.12 **Making Progress.** Making Progress has continued to deliver effective outcomes and joint casework within 2010/11. All Making Progress clients are people supervised by the Probation Service in Coventry. Do date, 14 clients have gained employment, 16 clients have been supported with urgent housing needs and 4 people at risk of homelessness have been supported into new accommodation. A range of Making Progress case studies detailing individual client journeys are enclosed with these papers.
- 5.13 **Recruitment Development.** Performance within this service has slowed partly due to some capacity issues within the team and a re-focusing of activity to support the programme more effectively. However, the team is continuing to provide sufficient placement vacancies to meet the demand from both Placement Schemes.
- 5.14 A redefined employer offer and improved internal processes for handling vacancies has been put in place. In addition, a matched vacancy plan is being produced to source opportunities matched directly to client aspirations, ensuring a leaner process and increased opportunities for the Enterprising Coventry client group.
- 5.15 A wider recruitment offer that will involve partners at Jobcentre Plus, the Universities and Colleges working together to meet employer demand is currently being developed. Following these changes the Recruitment Development service will offer a more strategic, comprehensive service aimed at meeting employers' recruitment needs at all levels.
- 5.16 **Barrier Breaking.** Referrals to Barrier Breaking has increased considerably over the last few months and the service is now dealing with more enquiries than in any other year of the programme. To date, there have been 637 referrals to the service compared to 572 in 2009/10. The increase in referrals can be attributed to the re-design of the service to focus on group interventions as opposed to one off bespoke training requests. Individual training requests are now expected to have a stronger focus on achieving a job outcome or a significant likelihood of the client moving into self employment.
- 5.17 A programme of softer skills training for clients covering units such as communication, presentation, customer excellence, confidence building and team working is now available.
- 5.18 **Work & Health Programme.** As reported at previous Board meetings the Barrier Breaking Team have been working with NHS Coventry to expand the ability to delivery interventions for clients where health issues affect their ability to work or run a business.
- 5.19 The NHS Coventry funded Work & Health Programme is now operational offering health screening and specialist health support for Enterprising Coventry and Jobcentre Plus client groups. A timetable of screening days at Tile Hill Jobcentre and the Enterprising Coventry Jobclub (Coventry Transport Museum) is in place from September to March 2011.
- 5.20 **Labour Market Action Group.** The Employment Service has established a Labour Market Action Group with strategic partners from Jobcentre Plus, the Universities, the Colleges, the Skills Funding Agency, Business Investment & Enterprise, Inward Investment, Corporate Research and others to review local labour market analysis and as a result take actions to improve services in the

city. As a result of an initial meeting of this group we have re-energised our approach to 'local jobs' and investment in the city, established the Environmental Task Group and strengthened relationships with the Universities.

- 5.21 This labour market partnership network will be used to oversee a more comprehensive recruitment offer to employers and provide businesses with a single access point for collective services.
- 5.22 Work with both Universities has also led to some immediate changes, for example, Enterprising Coventry vacancies are now being advertised on university websites and promoted to graduates within each institute.
- 5.23 In addition, the group has been working with Warwick University developing a joint process to help graduate retention in the City. This will include a variety of measures including:
  - Acting as an intermediary for opportunities with our SMEs
  - Use of the University's alumni association to identify valuable case studies and create positive role models
  - Creating a Coventry graduation pack outlining the Coventry offer as a vibrant city as well as services available to help find work
  - Improvements to website information
  - Development of volunteering and social enterprise opportunities
 Similar activities are also being developed with Coventry University.
- 5.24 **Environmental Task Group.** The Employment Service has established an Environmental Task Group to develop an Employment & Skills Strategy for this sector. As detailed in 4.25, significant growth within this sector is anticipated so key employment and skills partners have pledged to support this sector.
- 5.25 Growth in environmental technologies could mean many thousands of jobs being created locally and the Group aims to ensure our labour market can support that expansion. In addition to developing this Strategy, the Group is implementing some immediate actions in partnership with City College and Summit Skills which will create employment opportunities for Enterprising Coventry clients over the next few months.

## 6 2010/11 Financial Position

6.1 At the May 2010 meeting the Board approved the following financial profile for 2010/11:

Total allocation for 2010/11	£4,085,000
Total allocated to services	£4,319,000
Overprogramming position	£234,000

6.2 An overprogramming position of £234,000, representing 6% of the total funding allocation was agreed to be manageable. 5-10% overprogramming is typical of most regeneration programmes, whilst Enterprising Coventry delivered a significant underspend of £726k in 2009/10.

6.3 As the Board will be aware, on 10<sup>th</sup> June the Government announced that the Department for Communities and Local Government (CLG) would have to make £780m savings from the 2010/11 budget, contributing to the £6.2bn cross government savings for the year.

6.4 CLG identified a national LEGL budget cut of 23%, representing savings of £829,000 from the Enterprising Coventry programme. Proposals for making these savings were approved at an emergency Board meeting on 28<sup>th</sup> June 2010. As discussed earlier within these papers, these budget savings have been implemented across the programme.

6.5 The significant CLG savings will make the overprogramming more difficult to achieve as natural slippage is less likely to occur given the tighter revised budgets.

6.6 In order to manage the risk of a programme overspend at the end of the year, the Programme Team have been working with delivery managers to identify further savings that can be made. Potential savings of £152,000 have been identified as detailed below:

- **Barrier Breaking.** The Barrier Breaking service supports and partly delivers the Work & Health element of the Coventry Health Improvement Programme to deliver health support to Enterprising Coventry clients. The Work & Health project required the recruitment of additional staff to deliver this support, but instead we have moved existing Barrier Breaking staff to ensure that this project is delivered effectively. As a result of these management actions, staff costs of £46,000 can be saved from the Enterprising Coventry Barrier Breaking budget. Whilst this saving will not impact upon the volume of barrier breaking support available to clients, the responsiveness of the service may be reduced as staff work across different projects, however we are reassured that the projected flow of clients can be managed.
- **Employment Service.** The current contract with Pertemps for the delivery of employment support within the north of the city is due to end on 31<sup>st</sup> October 2010. A saving of £38,000 can be made by not extending this provision to the end of the financial year. City Council employment advisors will provide support to the north of the city, aligned with NDC provision, once the Pertemps Enterprising Coventry contract ends.
- **Employment Placement Scheme.** A project team is employed by the City Council to manage both the Future Jobs Fund and Employment Placement

Scheme. By reallocating some of the salary costs for these staff from the Employment Placement Scheme to the Future Jobs Fund a saving of £46,000 can be made. There will be no impact on the number of placements available as a result of this saving.

- **Recruitment Support Service.** A saving of £20,000 can be made against this budget by utilising additional funds secured through the European Social Fund Employment Hub and Employers for Employment Projects.
- **Low Carbon Vehicle Projects.** A £30,000 contribution to the low carbon vehicles project was approved by the Board on 25<sup>th</sup> January 2010. This project would have been funded from the 'Business Sector Growth and Innovation Resources' top up budget that had been allocated this year. However, this top-up budget was cut from the programme as part of the CLG savings, resulting in an additional pressure on the overprogramming position. Further match funding has been secured for this project so only £14,000 is required from Enterprising Coventry. It is proposed that the £14,000 required for this project is allocated from the existing monies within the 'Business Sector Growth and Innovation Resources' budget. It is within the eligibility of this fund to resource this activity, and it will relieve pressure on the current year finances.

6.7 If the Board decides to approve these additional budget savings, this will leave a 2010/11 overprogramming position of £81,302. Whilst this is still a significant over commitment, with exactly 6 months of the programme to go, experience says it is more than likely that this amount will reduce over the coming 6 month period. The Programme Team is confident that the programme can be delivered within budget by financial year end.

6.8 In addition to the further budget savings detailed in 6.6, other changes to the financial profile since the last Board meeting include:

- **Construction Shared Apprenticeship Scheme.** The £150k allocated to this project (25<sup>th</sup> January Board meeting) was flexibly profiled over three years. Only £30,000 match funding is required in 2010/11 so arrangements have been made with City Council Finance to draw down the remaining funds in future years.
- **Employment Placement Scheme.** The Employment Placement Scheme is part funded through Enterprising Coventry (£230k) and the Local Public Services Board (£370k). In order to maximise the impact of this project, work placements will be offered to individuals up to 31<sup>st</sup> March 2011, so funds to pay the salary costs (£88,500) for these placements will be needed in 2011/12. Again, negotiations are taking place with City Council Finance to ensure that these funds can be used flexibly and cover expenditure incurred during 2011/12.

6.9 A detailed financial profile including the proposed budget savings in 6.6 and the reallocation of funds outlined in 6.9 is available within Appendix 6B. In summary, subject to the Board's approval of the proposed savings, the current financial position is detailed below:

Revised allocation for 2010/11 (following 23% budget savings)	£3,044,500
Year end forecast spend position (at 31 <sup>st</sup> August 2010)	£3,125,802
Overprogramming position	£81,302

**Recommendations:**

- 6.10 The Board is asked to note the progress being made with Enterprising Coventry programme delivery for 2010/11.**
- 6.11 The Board is asked to consider and agree the current 2010/11 overprogramming position and the strategy for managing this position for the remainder of the year.**

Strand	Outcomes	2010/11			2010/11		2010/11
		Q1	Q2* (to Aug 10)	Forecast (Sept 10 Q3 & Q4)	Year to Date Achievement		Target
					Absolute	% against target	
Business, Investment and Enterprise	Business Start Up	59	28	97	87	47%	184
	New businesses still trading after 12 months	35		n/a	35	74%	48
		51%		n/a	51%	n/a	70%
	Business Assists	73	57	142	130	48%	272
	Increase in New Sales	£ 14,000.00	tbc**	n/a	£14,000	n/a	n/a
	New Jobs Created	105	101	tbc**	206	100%	207
	New Business Opportunities Created Through New Investments	6	2	16	8	22%	37
Employment, Jobs & Placements	People Assisted Into Employment β	203	251	286	454	61%	740
	People still in employment after 6 months	tbc **	tbc **	tbc **	tbc **	tbc **	444
		tbc **	tbc **	tbc **	tbc **	tbc **	60%
	People Assisted Into Work Placements Ω	81	57	164	138	46%	302
	Jobs Identified	189	5	400	194	13%	1500
	Placements Identified	150	23	126	173	43%	400

\* Quarter 2 column information is the latest information up to the end of August 2010.  
 β All Employment teams inc Employment Delivery Team, WATCH, WEETC, Pertemps, Construction Employment Unit, ESF & The Employment Support Service.  
 Ω Future Jobs Fund / Employment Placement Scheme.  
 \*\* Data will be available at the end of Quarter 2.

## Appendix 6B 2010/11 Enterprising Coventry Programme Finance Profile

	Ref	Project/Activity	Q1	Q2	Q3	Q4	2010/11 Original Allocation	2010/11 Revised Allocation (In year savings)	2010/11 Forecast Spend Position	Underspend/ Overspend	
			Actual	Actual (to AUG 10)	Forecast (from SEP 10)	Forecast					
Business	1-NW	Business Network Management & Support	£40,080.00	£21,360.00	£42,350.00	£32,290.00	£150,000.00	136,080.00	136,080.00	£0.00	
	2-EC	Enterprise Coaches	£159,000.00	£92,000.00	£143,500.00	£11,700.00	£440,000.00	406,200.00	406,200.00	£0.00	
	3-BC	Business Coaches	£195,000.00	£104,000.00	£107,200.00	£21,000.00	£480,000.00	427,200.00	427,200.00	£0.00	
	4-RM	Business Relationship Managers	£19,460.34	£25,513.73	£24,858.49	£25,167.44	£115,000.00	95,000.00	95,000.00	£0.00	
	5-IC	Investing In Coventry	£20,060.95	£22,358.00	£45,038.38	£23,242.67	£195,000.00	100,000.00	100,000.00	£0.00	
	14-BR	Citywide Business Sector Growth & Innovation Resources	£0.00	£0.00	£0.00	£0.00	£200,000.00	0.00	0.00	£0.00	
Employment	6-BB	Barrier Breaking Activity	£41,305.00	£47,670.00	£104,657.00	£104,507.00	£460,000.00	345,000.00	298,139.00	-£46,861.00	Potential additional saving. Refer to Agenda Item 6, Section 6
	7-ES	Employment Advice Service	£131,895.64	£53,637.00	£200,188.78	£199,913.78	£734,000.00	624,000.00	585,635.20	-£38,364.80	Potential additional saving. Refer to Agenda Item 6, Section 6
	PET	Probation Employment Project	£25,716.00	£11,501.00	£27,914.66	£23,916.32	£90,000.00	90,000.00	89,047.98	-£952.02	Potential additional saving. Refer to Agenda Item 6, Section 6
	8-EP	Employment Placement Scheme	£91,104.62	£94,440.00	£202,893.71	£152,170.28	£511,500.00	511,500.00	465,500.00	-£46,000.00	Potential additional saving. Refer to Agenda Item 6, Section 6
		CEU Apprenticeship	£30,000.00	£0.00	£0.00	£0.00	£30,000.00	30,000.00	30,000.00	£0.00	
	9-RD	Employer Engagement & Recruitment Support Service	£9,901.00	£11,731.51	£8,269.30	£10,098.19	£90,000.00	60,000.00	40,000.00	-£20,000.00	Potential additional saving. Refer to Agenda Item 6, Section 6
Programme	10-MC	Marketing & PR	£730.00	£3,200.00	£22,800.00	£13,270.00	£65,000.00	40,000.00	40,000.00	£0.00	
	11-CT	Client Management System (CMS)	£800.00	£15,000.00	£2,200.00	£0.00	£75,000.00	18,000.00	18,000.00	£0.00	
	12-PM	Programme Management	£97,500.00	£97,500.00	£97,500.00	£97,500.00	£425,000.00	390,000.00	390,000.00	£0.00	
	13-EV	Evaluation & Research	£1,519.00	£0.00	£1,812.66	£1,668.34	£50,000.00	5,000.00	5,000.00	£0.00	
			£864,072.55	£599,911.24	£1,031,182.98	£716,444.02	£4,110,500.00	£3,277,980.00	£3,125,802.18		
Original Total Budget For Programme											£3,876,500.00
Revised Total Budget For Programme post £832k in year cuts											£3,044,500.00
Grand Total Allocated to date											£3,277,980.00
Grand Total Forecast Spend Position											£3,125,802.18
PREDICTED OUTTURN FOR 2010/11										Overspend	£81,302.18

## Agenda Item 7: Planning for the Future

### September 2010

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#### 1 National Context

- 1.1 We are in the midst of the worse economic crisis since the great depression of the 1930s. Borrowing by the national government remains high and the new Coalition government's strategy is to reduce the costs within the public sector dramatically over the next 4 years.
- 1.2 In addition to the already announced abolition of the Regional Development Agencies (AWM) there is a clear move towards 'localism' in the creation of Local Enterprise Partnerships (LEPs) – charged with creating the conditions for growth. A white paper on 'Localism' is also due in October that will set out the Government's approach to local growth. Coinciding with this Government has announced the £1bn Regional Growth Fund (RGF), spread over the years 2011-12 and 2012-13. The fund will provide one consolidated pot of funding to help promote overall strategies for the area. It is anticipated that LEPs will play an important role in bringing together the bids for the areas that they cover.
- 1.3 The Government has also made it very clear that as it tackles Welfare Reform, there will be one streamlined programme called the Work Programme that will provide all the public sector intervention to move people back into work and tackle long term unemployment<sup>1</sup>.
- 1.4 In Coventry we are very well placed to respond to the new national agenda as we have used LEGI funding to develop a local enterprise culture through the Enterprising Coventry initiative; which has adopted an innovative and inclusive strategy to support, new and existing businesses to create local jobs for local people.
- 1.5 It is critical that we build on the learning and experience of the last 5 years of Enterprising Coventry informing new developments so that there is no loss of momentum of the successful elements as highlighted below. This paper seeks to outline discussion areas for taking forward the implications of this national context.

#### 2 Achievements of LEGI and Enterprising Coventry

- 2.1 As we plan for the future it is important to recognise what has been achieved over the first 5 years of the programme. Below is a summary of the some of the achievements of the programme to date.
- 2.2 The programme is not only on target to achieve its 5 year goals, but in some areas has significantly exceeded all expectations despite the change in economic climate over the past 5 years. These achievements are evidenced by the case studies within these and previous board papers.

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<sup>1</sup> The Coalition Programme of Work

Performance Measure	Achieved so far	Target by March 11
Business Start	760	900
Business Supported and Assisted	1148	560
New Sales Generated after Business Support	£8.85m	£4.6m
New Jobs Created and Filled	947	230
New Investments	54	n/a
People into Jobs	2110	2000
Employment Placements	244	340

**2.3 We Know We Are Achieving Real Added Value**

2.3.1 The Freud<sup>2</sup> report in March 2007 commissioned by DWP identified that the fiscal gain of a year-long move into employment by a claimant on one of the three main benefits is substantial. It estimates that the savings, in terms of gross costs to the Department' and other exchequer amounts, to be approximately £9,000 for those in incapacity benefit and £8,100 for those on JSA per annum.

2.3.2 In addition, the benefits to the local economy of creating local employment and wealth is significant. The New Economics Foundation's work on a local multiplier effect identified that, where 80% of money entering the economy is spent locally, the total amount of value to the economy is multiplied by 5 times.

2.3.3 Taking as an example unemployment clients supported into work from the Enterprising Coventry and LEGI Programme combined, it is estimated that the savings in benefit payments and contributions to direct taxation amounts to over **£33m** over the duration of the programme. This figure is likely to be much higher when contributions to indirect taxation are taken into account, alongside collateral reductions in other benefits (housing benefit, health etc).

**2.4 We Have A Track Record**

2.4.1 We have shown that as a collaborative partnership we can lead the way through our pioneering LEGI bid that brought together the public and private sector in governance (Enterprising Coventry Board) and delivery (Chamber of Commerce, Amazon Initiatives, Women's Business Development Agency, Coventry University, WEETC and WATCH) – a clear precursor to any successful LEP. We have shown that we can deliver locally flexible and demand responsive enterprise and employment programmes over the last 5 years with LEGI and Enterprising Coventry.

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<sup>2</sup> Reducing dependency, increasing opportunity: options for the future of welfare to work. An independent report to the Department for Work and Pensions by David A Freud

### **3 Our Current Local Context & Response**

- 3.1 This year we have already delivered a 23% cut on our commissioned services and have no certainty on what the future holds with a hugely unpredictable Comprehensive Spending Review (CSR) around the corner.<sup>3</sup>
- 3.2 There is a new regime in National government and we cannot assume funding for existing structures within LEGI. Despite the government's commitment to reduce the state bill for welfare and welfare reform being at the top of the agenda, the future of the current LEGI programme remains anything but clear.
- 3.3 In response to the national announcements around LEPs, local business and civic leaders have submitted an outline proposal for the formation of a LEP across Coventry & Warwickshire. At the moment of writing this paper we are unclear concerning the Government's response to the Coventry & Warwickshire LEP expression of interest submitted to government on 6<sup>th</sup> September.
- 3.4 Despite the uncertainty surrounding future LEGI funds within the CSR we have a responsibility to ensure that our successes are understood and feature as ongoing activities. We have a strong track record of recognising what works, and what doesn't. There is not need for Coventry to start from scratch through the success of Enterprising Coventry we have the opportunity for a head start.

#### **3.5 Known Resourcing Opportunities**

- 3.5.1 The RGF has the key objective of supporting private sector led-growth and employment, particularly in areas with high levels of public sector employment; this clearly aligns with the work we have done under Enterprising Coventry.
- 3.5.2 We are already leading the Work & Health Programme as described in Agenda Item 6 and this is due to continue beyond the current year.
- 3.5.3 Over the past year we have put in a place an European Regional Development Fund bid (ERDF) which is still in place for the next 3 years subject to match funding. This bid would enable existing and new work around Enterprise Coaching and Business Start-Up to continue into the future. However it should be noted that the future of ERDF allocation across the country is under review.
- 3.5.4 In addition we have also been in discussions around the new round of European Social Fund (ESF) which would enable us to provide the softer elements of training and equipping people with skills to become economically active.

### **4 Planning for Opportunities & Transition**

- 4.1 It will take some weeks before the role and remit of the CW LEP is fully defined and delivery resources are identified. However at this early stage it is clear that the priorities of the Coventry & Warwickshire LEP are aligned to that of Enterprising Coventry and some of the planned activities will be focusing on enterprise, business support, inward investment and job creation.

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<sup>3</sup> 20 October 2010

- 4.2 As the current Enterprising Coventry Programme comes to an end in March 2011 and the new LEP governance structures become operational by 1 April 2011, the strategic leadership and accountability for future Enterprising Coventry activities may fall within the LEP structures. This change could provide opportunities for current EC Board members to become involved in the LEP contributing to the ongoing enterprise agenda for the city and wider subregion.
- 4.3 We cannot rely on existing resources to flow into the City in the same way or to the same level it has for the past 5 years. Whilst as a Board it is prudent that you plan for programme closure, given the inherent, significant implications on outcomes, and the real lives of our customers and partners, it is critical that we actively explore all potential opportunities for transitioning services.

## **5 In Summary**

- 5.1 At the moment we cannot provide you with a conclusive steer on what the future service options and transitional arrangements might look like. Therefore the Board is asked to discuss the current context and positioning of Enterprising Coventry for the future.
- 5.2 And in addition, to receive a report following the Comprehensive Spending Review on the 20 October at the next Board meeting on 22 November, outlining a clear way forward for the future of the existing programme, which may include elements of new opportunities, transition and programme closure.

### **Author**

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