

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO

Scrutiny Committee

11th March 2004

AUTHOR/S:

Planning Director

ECONOMIC DEVELOPMENT GRANTS 2003/04

Purpose

1. This report details the Economic Development Grants awarded by South Cambridgeshire District Council in the financial year 2003/4 as requested at the Scrutiny Committee meeting on 12th February 2004.

Effect on Corporate Objectives

2. The grants meet the corporate objective of 'A Sustainable Future for South Cambridgeshire', as economic issues are a key aspect of sustainable development. Grants are also used to promote effective partnerships with organisations providing services to the community and the economy.

Background

3. The Council has a longstanding policy of supporting the local economy, by providing grants to training organisations in the Cambridge area, by supporting organisations which support business development, and by providing assistance to organisations which help disadvantaged groups to gain access to the labour market.
4. The principle of providing grants was endorsed in the South Cambridgeshire Economic Development Strategy, adopted in June 2003. The consultation process for the Strategy endorsed the importance of economic development grants. It indicated that many local organisations are highly dependent on grants from the District Council. A large amount of community benefit is derived from limited funds by supporting training, employment, and voluntary organisations.

Application Process

5. The Economic Development Budget for 2003/2004 is £63,140. In August 2003, following the adoption of the Economic development Strategy, grant application forms for the period 1st April 2003 to 31st March 2004 were sent to all organisations which applied for an Economic Development Grant during 2002/2003 irrespective of whether a grant was awarded. Availability of grants was also stated on the Council's website, and the Economic Development Strategy.
6. Information accompanying application forms made it clear that a fully substantiated case must be made by any organisation which decided to apply. Potential applicants were advised that they must demonstrate in their application how their organisation assists with business development, improving skills, or improving the employability of the disadvantaged in the local labour market. Applicants are also required to submit up to date audited accounts,

which are reviewed by the Council's Finance and Resources Department to ensure that they are satisfactory.

Awarding Grants

7. Decisions on the amounts awarded are determined by the Portfolio Holder for Planning and Economic Development, and recorded as portfolio holder decisions.
8. Applications were received in 2003/4 amounted to £78,155. The full budget available in 2003/4, £63,140, was awarded as grants. Many grant recipients state that South Cambridgeshire is a key source of funding, and their ability to provide services in the District may be compromised if grants were reduced.

2004/05 Budget

9. The budget for 2004/5 has been set at £59,220, a cut of £3,920 on the previous year. It was agreed through discussions with the portfolio holder that the focus of cuts would be on grants which aid firms (such as Invest East of England), rather than grants which more directly aid individuals and disadvantaged groups. The grants application process will begin in March.

2003/04 Applications

10. At its meeting on 12th February the Scrutiny Committee requested that "a report detailing the Economic Development Grants awarded in the municipal year 2003/04" be prepared for a subsequent meeting. These are detailed below.

Cambridgeshire Enterprise Services - Grant Awarded 2003/4: £8,000

11. Cambridge Enterprise Services aim to assist in the creation and development of new and existing small businesses, offering support through advice and guidance.
12. Services include one to one business start-up advice, existing business counselling, business skills training, prime fund allocations (a local fund for people aged 50+), business skills training for the long-term unemployed, DTI fund allocation to provide expertise for high growth companies, 'Technology Means Business' IT accreditation and IT training leading to the European Computer Driving License.
13. The Agencies have a projected income of £451,474 for 2003/2004. The grant is specifically sought to support their pre-start up counselling operations which help people determine whether their business idea is viable, and the research and work required to assemble an effective business plan. In 02/03 1156 pre-start counselling sessions, and 1260 business training seminar places were filled. Approximately 15% of users came from South Cambridgeshire.
14. This application was submitted late, with limited funds available. However, the important role Cambridgeshire Enterprise services plays in supporting businesses warranted continued support through the grants process.

Cambridge ITEC Limited - Grant Awarded 2003/4: £4,000

15. Cambridge ITEC Ltd is a non-profit making company. Its aims/objectives are to provide advice, guidance, support and training in a range of occupation areas to young people aged 16 to 24 leading to nationally recognized qualifications. This includes seeking out training

placements and employment with local firms and promoting a lifelong learning commitment with both individuals and employers.

16. The services provided are CV preparation, interview skills preparation, initial assessment (job and qualification matching), job search support and recruitment opportunities. Skills training is provided in a range of areas including Information Technology, Accounting, Customer Services, Administration and personal development. A great deal of Cambridge ITEC Ltd's activity provides one to one support for personal development, successful transition from unemployment to employment, and skills development and work experience to achieve work based qualifications. Cambridge ITEC Ltd operates flexible programmes designed for those with little or no academic qualification or those with a lack of relevant skills to ensure continual employment.
17. Cambridge ITEC Ltd has a projected income of £142,733 for 2003/2004. The grant sought will be used to develop a company web site, and Bulletin Board, for improved access to services in rural areas and to develop distance learning materials. It will also support continued counselling provision to young people.

Cambridge Jobsearch/Connexions - Grant Awarded 2003/4: £9,500

18. Both organisations offer free one-to-one guidance sessions to unemployed adults. Both operate on a not for profit basis. They provide guidance and job-hunting advice at an early stage in their clients unemployment/need for employment. Cambridge Jobsearch/Connexions objective is the rapid movement of people back into employment or into training.
19. The particular services include careers guidance, CV compilation, interview skills, completing application forms, training needs analysis, motivation and confidence building, counselling and mentoring. All clients' progress is monitored three months after using their services. Between 1st April 2000 and 31st March 2001, 271 people used the service.
20. Cambridge Job Search/Cambs Career Guidance have a projected income of £17,500 for 2003/2004 for expenditure in South Cambridgeshire. The grant will be used to pay for the staffing and associated overheads required for the continued delivery of the service to South Cambridgeshire residents.

Qest - Grant Awarded 2003/4: £9,074

21. Qest (Quest Employment Support Team) is a registered trust which was set up to help unemployed people with mental health problems and/or physical disabilities and those recovering from drug misuse to find suitable training or employment and to gain help needed in the workplace. Qest focuses on making individuals 'employable' and on making businesses more likely to employ people with mental and physical disabilities by giving advice on recruitment, retention or rehabilitation. About a quarter of the 140 people that Qest helped during 2002/2003 lived in South Cambridgeshire. Each year, Qest achieves one third of all its clients into paid employment and one third into training, education or work based activity.
22. The services provided by QEST for individuals include vocational advice and guidance; individual needs assessment/action planning; motivation and orientation counselling; pre-vocational training in employment skills, assertiveness and IT; core skills support; help into employment/self-employment; help into education and training. For employers, Qest provides information on good practice, government funded help at work and the Disability Discrimination Act.

23. Qest is part of the Richmond Fellowship which provide financial, personnel, payroll and management support. It has Investors In People status.
24. Qest has a projected income of £235,524 for 2003/2004. The grant will assist Qest's client group to access stable employment, education or training for work. It provides accredited training whilst building self-confidence and esteem. Its aims for the next year are:
 - To place one third of its clients into work and a further third into training, education or work based activity.
 - To offer outreach and work preparation.
 - To increase the quality of it's provision by ensuring it's staff are trained to NVQ level 4 in Guidance.

Prince's Trust - Grant Awarded 2003/4: £2,000

25. The Prince's Trust is a registered charity. It's main aim is to enable 18 – 30 year olds who are unemployed or under-employed, and of limited financial means, to start their own businesses.
26. The grant will fund Test Marketing Grants, which help young people develop an idea before they take the responsibility of a business loan. It will also fund Development Awards to enable people to access education, training and work. The trust particularly targets minority groups, people with disabilities, lone parents and people who experience difficulty in finding employment.
27. The Prince's Trust has a projected income of £398,940 for 2002/2003. They helped approximately 600 people in the year up to April 2002, including starting 56 businesses.
28. The Trust has a designated Business Development Worker for the Cambridge area who meets with all young people who express a firm interest in business start-up to discuss their business idea and the support that the Trust can provide. If the client decides to go ahead with a business, they will work on developing their business plan with the support of a voluntary Business Mentor who is provided by the Trust. The completed business plan is presented to a Prince's Trust Panel for approval for funding and if successful would continue to receive support from their Business mentor for a period of 3 years. The support provided by the Prince's Trust Business Programme is not offered by any other organization. The work of the Trust is monitored primarily through the setting of targets.

Castle Project - Grant Awarded 2003/4: £8,016

29. The Castle Project is a registered charity. It aims to provide vocational and rehabilitation opportunities for people with mental illness and to improve their ability to function in work settings. In collaboration with Qest, the Castle Project offers support in seeking, obtaining and managing further vocational training or suitable employment.
30. The Castle Project aims to identify and overcome barriers to the functioning of its clients in the workplace. It offers opportunities to obtain either a Vocational Access Certificate or an NVQ level 1 or 2 in Administration whilst at the Project. Recently, the Castle Project has been working with the South Cambridgeshire Primary Care Group in identifying the particular needs of the people of South Cambridgeshire and how best they can access existing services and how new services may be introduced into the more rural areas.
31. A range of activities are provided for the mentally ill including woodwork, furniture restoration, recycling, contract packaging, mailing services and leaflet distribution. Progress is monitored by the Project's staff who liaise with other agencies to ensure that the best all

round package is available to its clients. The Castle Project takes up to 25 people per day who attend between one and five days per week.

32. The Castle Project has a projected income of £187,731 for 2003/2004. The grant will ensure that the service can continue to provide the employment training and support needed by the mentally ill. It will further establish the existing service and contribute to the increasing numbers who are involved in directed training and support general running costs.
33. On consideration of the application, Castle Project were asked to submit additional information, particularly relating to the number of residents in South Cambridgeshire who had received training and how many had gained employment. All clients undertake some form of training to enable them to move nearer work while at the project. This includes Intro to IT, Assertiveness, Certificate in Skills for Working Life, Certificate in Employment Skills. 11% of clients move into employment, and 7% go into voluntary placements of further training.
34. In 02/03 15.62% of clients were South Cambridgeshire residents. They hope to help more next year due to restructuring. They deal with the most disadvantaged groups, the long-term unemployed with the greatest difficulties to overcome. They need long periods of rehabilitation to return to work.
35. Given the budget constraints and competing worthwhile grant applications, and a large grant already awarded to the partner organisation Qest, the decision was taken to provide a slightly reduced grant.

Cambridge Women's Resource Centre - Grant Awarded 2003/4: £6,500

36. The organisation provides information, support and training to women in Cambridgeshire. Assists women of varying abilities to gain basic skills, progress onto further training, and enter the job market, or women returners to update their skills. Offers free onsite child care and appropriate transport to reduce barriers to training. Courses are provided free of charge. The CWRC also operates a work placement scheme, and support for women searching for employment opportunities. The service is operated from a drop in centre in Cambridge. CWRC are a charitable organisation, overseen by a board of trustees.
37. The CWRC has a projected income of £454,319 in 2003/4. Funding will be used to provide childcare and travel expenses, enabling women to access the CWRC services. Last year approximately 10% of women using the services came from the South Cambridgeshire area. Funding would also be used as match funding for European ESF funding.

Invest East of England - Grant Awarded 2003/4: £3,000

38. The Inward Investment Agency report to EEDA, aiming to help deliver the Regional Inward Investment Strategy. Objectives are to support companies considering Investment in the East of England, and to work with investors to ensure they grow profitably in the region. Support for foreign owned businesses in South Cambridgeshire, and attract additional investment. They have achieved 106 successes (7000+ jobs) in six years, including four in South Cambridgeshire.
39. Funding secures membership, benefits of which include detailed reports from visits made to local companies.
40. On consideration of the application, they were asked to submit additional information on numbers of visits undertaken, and successful foreign investment guided by the organisation.

In 02/03 16 visits were undertaken to firms in South Cambridgeshire, and so far in 03/04 9 visits. Four foreign investors have set up in South Cambridgeshire: Adcore Ltd, Analysts International, Datalight Inc, Isogenica.

Greater Cambridge Partnership - Grant Awarded 2003/4: £5,000

41. The GCP was established in January 1998 as an alliance of public and private sector interests all working together to contribute to the growth of the region. It seeks to provide an identity to the Cambridge Area and thereby promote the area's interests in aspects such as becoming a world leader in learning and knowledge based businesses.
42. As well as Cambridgeshire, the partnership also covers parts of Suffolk, Essex and Hertfordshire in its recognition that issues for Cambridge extend beyond county boundaries. The area of Greater Cambridge is the scientific research and development capital of the UK with a cluster of more than 1,500 hi-tech businesses employing over 44,000 people. The area makes a significant contribution to the UK economy. South Cambridgeshire works with the partnership to strengthen the image of Cambridge and assist in maintaining a buoyant economy.
43. The GCP consider South Cambridgeshire District Council to be a key partner. Support for GCP is also an objective of the South Cambridgeshire Economic Development Strategy.

GET Group - Grant Awarded 2003/4: £550

44. The GET Group (Guidance, Employment and Training Ltd) is an umbrella group of some 27 organisations devoted to Guidance, Employment and Training. The group comprises a large number of not-for-profit/voluntary organizations who provide a 'one-stop-shop' approach which maximizes the efficiency of their services to their client groups.
45. The GET Group offers support to member organisations by winning contracts, running training programmes, information sharing and dissemination, and strategic input and advocacy with key economic partners. Serving the needs of its member organizations is the primary function – it does not have direct contact or offer services other than assist with developing the capacity of others through, for example, partnership and strategic developments. The GET Group membership help to address the critical issue of skills shortage and training of both the unemployed and those already in employment. Collectively, they attract substantial European Social Fund resources into Cambridgeshire.
46. The GET Group has a projected income of £32,300 for 2003/2004. The grant will be used to promote the services provided by GET Group members, to extend the membership of the GET Group and draw further support from organisations as Friends of GET group, to seek out further funding opportunities, to continue working with the Job Centre Plus in the delivery of New Deal and to attract further European Social Fund monies into Cambridgeshire. They will also work with Learning & Skills Council to ensure voluntary / not-for-profit sector continues to be recognised.
47. The application stated that without the grant, the ability of the GET Group to provide comprehensive outreach and guidance would be curtailed. Its ability to draw down additional funds may also be reduced.
48. On consideration of the application, they were asked to submit additional information on why the grant requested had increased so much from the previous year. In response they stated that they support a wide variety of organisations and residents of South Cambridgeshire, helping them deliver services more effectively. Increase in funding

requested reflects extra activity and the pull on resources. They play an important strategic role, particularly as part of the Cambridgeshire Learning Partnership. They feel they offer excellent value for money, for relatively limited funding. They also stated that they would appreciate a standstill budget if the increase was not possible.

49. Limitations on funds, and competing grant applications, made it is necessary to only provide a standstill budget.

Global Grants - Grant Awarded 2003/4: £5,000

50. The Global Grants Scheme for Cambridgeshire and Peterborough is administered by the Peterborough Council for Voluntary Service which is a registered charity, a voluntary organization, company limited by guarantee and an umbrella group for the global grant scheme.
51. The Global Grants are a new scheme under the European Social Fund which draws down money from the European Union in proportion to the money contributed by the County and District Councils and the voluntary sector. Grants can be made up to a maximum of £10,000 in any calendar year for the express purpose of promoting 'employability', under the following objectives:
- Active labour market Policies;
 - Equal opportunities and promoting social inclusion;
 - Life-long Learning;
 - Adaptability and Entrepreneurship;
 - Improving the participation of women in the labour market.
52. It is a scheme specifically designed to allow smaller groups to access European Union money without going through a cumbersome bureaucratic process.
53. The Global Grants Committee is made up of representatives of all Council's and voluntary organizations that are members of the scheme. The Senior Planning Policy Officer (Economic Development) attends on behalf of the Council. In Cambridgeshire, all Districts are members of the scheme.
54. The Committee invites organizations and voluntary groups to apply for grants from a budget of approximately £215,000. Having made a grant award it then monitors the implementation of schemes with the express aim of promoting employability. Across the County 60 organisations have been assisted, for a total of £397,351 over the life of the scheme.

Cambridge Cooperative Development Agency - Grant Awarded 2003/4: £2,500

55. Supports the start up of new co-operative and social economy enterprises, and offers business counselling to those already up and running. Also runs trade fairs, training programmes, and a small loans services to support cooperatives. Training programmes encourage work based learning, and promote business growth in order to provide employment opportunities.
56. In 2002/3, the agency delivered support to 165 individuals and 25 different organisations and enterprises in the social economy. This included over 10,000 hours of direct support and training. The agency supported the establishment of four new social enterprises in 2002. Currently the agency supports seven incorporated social enterprises and a further five at pre start up and start up stages in South Cambridgeshire.

57. The grant will enable them to continue to support cooperatives and social enterprises, raising their profile and awareness of their needs with both the public and business support agencies.
58. On consideration of the application, they were asked to submit additional information on why the grant requested was so much greater than the previous year. £10,000 is the amount they need from Cambridge City to deliver their service free of charge to client groups from the city. Given that 17 users were in South Cambridgeshire compared to 47 in Cambridge, the figure for £10,000 may be unreasonable based on their justification. A stand still grant was agreed.

Background Papers: the following background papers were used in the preparation of this report:
None

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Economic Development Grants	Expenditure	Expenditure	Expenditure	Applications	Expenditure
	2000/01	2001/02	2002/03	2003/4	2003/4
Cambridgeshire Enterprise Services	14,000	14,000	15,000	16000	8000
Cambridge ITEC Limited	0	17,000	8,000	4000	4000
Cambridge Jobsearch / Connexions	8,615	8,830	9,000	9500	9500
QEST	8,410	8,620	8,810	9074	9074
Princes Youth Business Trust	1,576	1,620	1,800	2000	2000
Castle/Cable Project	8,410	8,620	8,879	9056	8016
Camtrust Communications Design	5,384	5,520			
Cambridge Women's resource Centre	3,771	3,860		6500	6500
Invest East of England	3,000	3,000	3,000	3525	3000
Greater Cambridge Partnership	5,000	5,000	5000	5000	5000
GET Group	512	530	£550	1000	550
Village Shop Development Scheme	0	6,000	Closed		
Opportunities without Limit	0	5,000			
Global Grants			5,000	5000	5000
Cambridge Cooperative Development Agency			2,500	7500	2500
APPLICATIONS				78,155	
TOTAL	77,578	87,600	67,539		63,140