

21 January 2011

Business Start up Support in Walsall

Ward(s) All

Portfolios: Cllr A Andrew - Regeneration

Report:

Introduction – Baseline Data

Data from 2008 shows that Walsall had a new business registration rate (VAT registered businesses) of 37.9%, which equates to 765 new businesses. This is lower than comparable data from the West Midlands (47.6%) and England (57.2%). More recent data from 2009 shows that there were 720 business births and 1,005 business deaths giving a loss of 285 businesses. This demonstrates that not only is Walsall behind the national average in terms of new business starts, but will continue to lag behind if both the new start up and business survival rates do not improve.

In 2008, there were almost 7,500 active enterprises in Walsall which equates to about 50 businesses for every 1,000 of the working population. This again lags behind the regional and national levels (58 and 63 business per 1,000 of the working age population respectively). Walsall requires over 1,200 additional businesses to reach regional levels of density and requires over 2,000 additional businesses when considering the national level, this is the size of the task.

Business Support – Through our WNF Programme

These low levels of enterprise and higher business failure rates have been recognised by both Walsall Council and the Walsall Local Strategic Partnership recognise new business start ups and the development of an enterprising economy as a key priority for our Working Neighbourhoods Fund (WNF) programme.

As a result and to contribute towards the task as hand, a comprehensive local package of support for local business start-up's together with business support was developed and is now in place.

Our programme aims to add value to the national business support offer provided through Business Link and not to duplicate this work, so together we stand the best chance of creating new businesses and sustaining their life.

Walsall Council – Our Response

The Council's Think Walsall Business Support team is on hand to support new and existing enterprises across a range of issues including access to finance, relocation support, recruitment and workforce development. The team works closely with key partners including Business Link and Black Country Enterprise to ensure that clients get access to all support available.

In addition to on-site business visits, the team offer information, advice and guidance on the phone, email, or via the web (www.walsall.com)

The team also work with a range of partners to manage interventions funded through WNF:

Schools Enterprise: Working with the Walsall Education & Business Partnership to raise awareness of the opportunities for self-employment and enterprise with primary and secondary aged school children.

Young People Supporting Innovation in Companies: Working with Walsall College to provide in-company experience for young people on innovation projects.

Social Enterprise: One to one and peer support for new start and existing social and community enterprises.

Start-up Grants: Grants available for new start businesses.

Relocation Grants: Grants available for existing businesses needing to relocate to retain profitability and safeguard jobs.

Enhanced Innovation Support: Delivered by Black Country Enterprise, the project offers intensive support for new and existing companies seeking to develop innovative new products, processes or markets.

The team works closely with key partner organisations including:

Business Link

Business Link is the national organisation for business support funded by Government. Any local activity must show how it adds value and does not duplicate the Business Link offer.

Business Link offer information, advice and guidance on a range of key business issues including access to finance, sales & marketing and business planning.

Start up support in the Black Country is sub-contracted to Black Country Enterprise.

Black Country Enterprise

www.blackcountryenterprise.co.uk

Deliverers of the Business Link start-up service in the Black Country, Black Country Enterprise help aspiring entrepreneurs to take their first steps into self-employment by offering free one-to-one business start-up advice, counselling and training.

In addition to one-to-one support, BCE offer a range of specialist workshops on business planning, marketing and finance. These workshops are free and run throughout the Black Country on a rolling basis.

Black Country Enterprise is a wholly owned subsidiary of the Black Country Chamber of Commerce.

Breathing Space Self Employment Programme

Delivered by Breathing Space, the WNF funded Self-Employment programme is aimed at individuals who are interested in starting up their own business.

This self employment course delivers an 8 week programme that provides advice on issues that an individual experiences on the route to self-employment and offers valuable assistance from professionals from legal, accountancy and financial services.

Jobcentre Plus

Jobcentre Plus Personal Advisers offer additional support to job seekers willing to consider either starting their own business or taking up a job that is offered on a self-employed basis. Although the offer is available from the 13 week stage of a customer's claim it still forms part of the 6-month offer menu. The support on offer is comprised of two distinct elements – advice and financial assistance.

Advice (pre and post start-up) will be provided by Business Link and all clients will be referred. In the Black Country these clients should go on to receive more intensive support from Black Country Enterprise.

Financial assistance comes in the form of a Self Employment Credit (SEC) and is available to those who leave Job Seekers Allowance to commence self-employment.

SEC, administered solely by Jobcentre Plus, provides a weekly payment of £50 for up to 16 weeks to help the customer through what can be a difficult transition period. There are eligibility conditions that need to be met in order to receive the credit which will be discussed through with the advisor.

Information on Future Developments

The Department for Work & Pensions are currently in the early stages of developing the New Enterprise Allowance programme and whilst there are issues still to be decided the programme will provide support for would-be entrepreneurs by giving the unemployed access to business mentors/coaches and start up loans. They plan to introduce New Enterprise Allowance next year and want to develop a simple and un-bureaucratic system that brings about a step-change in the way that enterprise is promoted as a route back to work. Announcements and details of how to work with DWP will be made available on the DWP Internet site.


Recommendations:

That subject to any comments Members may wish to make:

1. the Panel note and support the activities currently being delivered through the council's Working Neighbourhoods Fund programme;
2. the Panel asks members and officers to continue where possible to influence national and regional decision makers to ensure Walsall priorities are reflected in any future sub-national offer – for example via the Black Country Local Enterprise Partnership mechanism
3. the Panel asks us to continue to raise awareness of our programmes amongst key internal and external stakeholders, seeking support where ever possible.

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