To: Chairman, Ladies and Gentlemen

“Sirolli Enterprise Facilitation” for Effective Community Transformation (EFFECT)

PURPOSE OF THE REPORT:

To seek Cabinet's agreement for formal approval and acceptance of grant from the Welsh Government for the delivery of the “Sirolli Enterprise Facilitation” for Effective Community Transformation (EFFECT) project and also approve the Authorities role as Lead and Grant recipient Body.

1.0 INTRODUCTION AND BACKGROUND

1.1 In 2009 Blaenau Gwent CBC launched their “BG EFFECT” which was based on the “Sirolli Institute Enterprise Facilitation Model”. The ethos of the EFFECT project and the Sirolli Institute Model is to specialise in responsive approaches to Local Development that grow the community from within, transforming passionate people into successful entrepreneurs.

1.2 Dr. Ernesto Sirolli is the Founder of the Sirolli Institute, an international nonprofit organization that teaches community leaders how to establish and maintain Enterprise Facilitation projects in their community.

1.3 Over the last 20 years he has pioneered the Sirolli model in more than 250 communities around the world to adopt responsive, person-centered approaches to local economic development and it was this approach that Blaenau Gwent CBC endorsed in 2009.

1.4 The programme in Blaenau Gwent CBC over the three year period has effectively provided business development services which has included advice, guidance,
mentoring, training and support whilst ensuring these businesses are supported and complemented by the provision of existing grant funding opportunities and mainstream Business support. The current operation in Blaenau Gwent CBC is funded until March 31st 2015 and therefore it has been essential to link their continuation funding for a further 1 year into our funding application/submission.

1.5 The success of this project in the main was the recruitment of an Enterprise Facilitator who has a clear mandate to work with the range of business support partners that support enterprise, ensuring that all complimentary Business support services are fully utilised.

1.6 In Nov 2012 Merthyr Tydfil CBC in partnership with Torfaen CBC and Bridgend CBC started to explore the potential of a “roll out” of the project to the respective Local Authorities whilst being actively encouraged to do so by Welsh Government resulting in a project funding application being submitted to Welsh Government in February 2014 and the conclusion to this is highlighted in 3.1.

2.0 PROJECT SUMMARY

2.1 This project “roll out” proposal is to establish a project that will provide an innovative, community-based enterprise development structure in three of the South East Wales County Boroughs being Bridgend CBC, Merthyr Tydfil CBC and Torfaen CBC, based on the successfully utilised model in Blaenau Gwent and being supported also by Blaenau Gwent through a regional Board.

2.2 The Enterprise Facilitation methodology is considered to be entirely complementary to a whole range of existing mainstream and local initiatives, including:

- Existing business support services as the project will aim to develop businesses from pre-start, which will then be referred on at the appropriate stage to access wider business support services, including, Business Wales and the Taste of Enterprise programme.
- Local employment/skills initiatives – are usually important for providing complementary support, and (when businesses are established) for providing staff.
- Welsh Government Business Start Service
- Strong links to local education, social enterprise agendas, including the Youth Enterprise Strategy.

2.3 The evidence provided by the BG Effect pilot project is that there has been significant success in fulfilling the roles described above.

2.4 The Enterprise Facilitation model also adds value as:

- It stimulates local passion and creativity to develop businesses that create jobs, which are not dependent on public support in deprived or isolated communities.
• It helps create a more effective local business network, and helps public sector partners engage with the business community.
• It has been shown to consistently diversify the local economy
• It produces visible success stories within the community that provides a live, tangible and real demonstration of what can be achieved to others in the community
• It creates a legacy of entrepreneurial know-how among all participating partners (from the community, private and public sectors)
• It helps communities to approach problems in a business-like manner

3.0 PROJECT DEVELOPMENT STAGES

3.1 As indicated in 1.6 Welsh Government ETS has encouraged the participating Local Authorities to apply for funding. However, the project development stages in relation to sourcing the funding has undergone a rigorous and lengthy appraisal process with an offer letter being received on the 13th May.

3.2 An offer letter of grant has now been awarded for a period of 1 year from April 1st 2014 to March 31st 2015 with an in principle offer for a continuation for a further year taking the project up to March 31st 2016 subject to WG funding. This additional year will directly link to the continuation of the project in Blaenau Gwent CBC.

4.0 PROJECT DELIVERY STRUCTURE

4.1 The management of the Programme will be the responsibility of MTCBC as the Grant recipient body.

4.2 This project will be supported by a Regional Board which will include a representative role from each partner area. The project will fully utilise private sector involvement and ensure “private sector cross regional working” which will provide a platform for sharing the learning and development expertise across the areas/region.

4.3 The proposed additional three Enterprise Facilitation area projects in Bridgend, Merthyr Tydfil and Torfaen will run initially concurrently from April 1st 2014 until March 2015. The project will be branded as ‘Effect’ for a consistent regional approach. (Enterprise Facilitation for Effective Community Transformation)

4.4 The roll out will add value to the established BG Effect project that has been running in Blaenau Gwent and will provide the evidence for a further regional rollout to additional South East Wales Local Authorities under potential funding within the European Funding 2014 –2020 programme.

4.5 The Project will be structured so that it has a regional overview but has a community operational delivery mechanism.

Regional Board – Partners will establish a Regional Board supported by Blaenau Gwent with representatives from each of the partner areas. This would
include the chairperson from the Resource Boards, the Enterprise Facilitators, Public Sector and Third Sector.

**Resource Board:** Partners will establish a Resource board, with representatives from the community and key stakeholders to drive the project forward. The board will act on a voluntary basis and will meet once a month to:

- Provide direction and resource for the Enterprise Facilitator
- Assist the Enterprise Facilitator to help develop proposals from prospective businesses
- Direct linkages at this level will include a Communities First component where CF officers will be encouraged to have a greater understanding and involvement in the project.

4.6 Each of the participating Local Authorities will recruit an Enterprise Facilitator who will have a clear mandate to work with the range of business support partners that support enterprise, ensuring that all complimentary Business support services are fully utilised.

4.7 Training will be provided to the Resource Board members and each Facilitator by the Sirolli Institute.

4.8 Each of the 4 participating Local Authorities will have individual prescribed targets and budgets (as detailed in table 5.4 and 5.5). The amalgamation of which provides the regional financial expenditure and outputs of the Programme which will be reported to Welsh Government.

4.9 MTCBC will procure the services of the Sirolli Institute to the value of £126,000. This service will include the full training of the 3 Enterprise Facilitators and the orientation for the Project Management Board (PMB) in addition to the following:

- Review of the philosophy and practice of Enterprise Facilitation
- The role of Enterprise Facilitation in the context of existing service providers
- Community Relations meetings and presentations
- Introduction to the Sirolli Institute UK team.
- Roles and responsibilities of the Project Management Board
- Sign on to dedicated Sirolli online campus that gives you access to the curriculum in print and video form 24/7
- Relationship with the Sirolli Institute trainers, experiential learning and feedback loop
- Management training for project sustainability

**5.0 FINANCIAL IMPLICATION(S)**

5.1 Merthyr Tydfil CBC will be the Lead Body and will be responsible for the coordination, delivery, audit and evaluation of the Programme. The Programme’s total value is £763,552 of which £504,296 is a grant from Welsh Government. The balance of £259,255 will be sourced from each of the local Authorities which will include an element of cash match and in kind officer time. All financial arrangements
will be drawn up by Merthyr Tydfil’s Legal Department in the form of a Service Level Agreement to be agreed and signed by all partners.

5.2 The Council will be responsible for drawing down the Programme finance on behalf of the Partner Authorities. Each individual Authority will claim their local financial allocation from Merthyr CBC and these claims will be based on defrayed expenditure combined with output confirmation. The full operational process will form part of the Service Level Agreement.

5.3 As indicated in 5.1 each Local Authority has identified a cash match allocation and from MTCBC perspective this allocation is £15,000 over a two year period which will be sourced from earmarked reserves identified for match funding projects within Economic Development budget and in addition an in kind officer allocation will support the project management/development.

5.4 The table below highlights the project costs summary:-

<table>
<thead>
<tr>
<th>Project</th>
<th>2014/15</th>
<th>2015/16</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridgend</td>
<td>85,222</td>
<td>82,722</td>
<td>167,944</td>
</tr>
<tr>
<td>Merthyr Tydfil</td>
<td>224,695</td>
<td>91,722</td>
<td>316,417</td>
</tr>
<tr>
<td>Torfaen</td>
<td>85,222</td>
<td>82,722</td>
<td>167,944</td>
</tr>
<tr>
<td>Blaenau Gwent</td>
<td>N/A</td>
<td>111,247</td>
<td>111,247</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>395,139</strong></td>
<td><strong>368,413</strong></td>
<td><strong>763,552</strong></td>
</tr>
</tbody>
</table>

5.5 As indicated in 5.1 Merthyr Tydfil CBC will be the Lead Body and will be responsible for the coordination, delivery, audit and evaluation of the Programme. In addition MTCBC will procure the services of the Sirolli Institute to the value of £126,000. These additional costs have been approved by Welsh Government and wholly supported by the grant and are reflected in the table above.

5.6 The table below highlights the project regional outputs/targets: which are proportioned per local authority and will be reflected in the partnership agreement with the participating LA’s.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Quantity/Value</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yr 1 (by 31.3.15)</td>
</tr>
<tr>
<td>Gross jobs created</td>
<td>16</td>
<td>45</td>
</tr>
<tr>
<td>Participants</td>
<td>300</td>
<td>800</td>
</tr>
<tr>
<td>Social enterprises assisted</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Businesses started</td>
<td>25</td>
<td>67</td>
</tr>
<tr>
<td>Businesses assisted</td>
<td>23</td>
<td>63</td>
</tr>
<tr>
<td>Jobs Safeguarded</td>
<td>42</td>
<td>111</td>
</tr>
</tbody>
</table>
6.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

6.1 The Single Integrated Plan & Sustainability Impact Assessment has been completed and the proposals positively impact on most aspects of the Corporate Plan and Single Integrated Plan, including people in Merthyr Tydfil having the opportunity and aspiration to learn and develop their skills; and people in Merthyr Tydfil benefiting from a strong, sustainable and diverse economy. No negative impacts have been identified.

7.0 EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment (EqIA) screening form has been prepared for the purpose of this report. It has been found that a full report is not required at this time. The screening form can be accessed on the Council’s website/intranet via the ‘Equality Impact Assessment’ link.

8.0 RECOMMENDATION(S) that

8.1 The acceptance of the Welsh Government grant for the Enterprise Facilitation for Effective Community Transformation (EFFECT) project be approved.

8.2 Merthyr Tydfil CBC taking the role of Lead Partner be approved.

8.3 The appointment of an additional fixed term staff post to manage the local delivery of the Programme be approved.

8.4 The procurement of services of the Sirolli Institute to the value of £126,000 be approved.

GARETH CHAPMAN
CHIEF EXECUTIVE

<table>
<thead>
<tr>
<th>Title of Document(s)</th>
<th>Document(s) Date</th>
<th>Document Location</th>
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<tr>
<td>Funding Application</td>
<td>February 2014</td>
<td>Economic Development Unit 5</td>
</tr>
<tr>
<td>Offer Letter</td>
<td>May 2014</td>
<td>Economic Development Unit 5</td>
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Consultation has been undertaken with Executive Board in respect of each proposal(s) and recommendation(s) set out in this report.