

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – ECONOMY 6 MARCH 2014

SOCIAL ENTERPRISE SUPPORT

1.0 PURPOSE OF THE REPORT

- 1.1 To provide Members with an overview on the performance of social enterprises that have set up through Exeter Business Support, and the contribution they make to the economy of Exeter.
- 1.2 To recommend ongoing short term support for social enterprises through Exeter Business Support.

2.0 BACKGROUND

- 2.1 The scope and role of Exeter Business Support was expanded in April 2010 to cover support for social enterprises, with the aim to bridge the gap in support for developing social enterprises in Exeter. Social enterprises are businesses that principally have social objectives, with any surpluses achieved ploughed back into the business or the local community.
- 2.2 Exeter Business Support provides free professional advice and guidance to support the start up and early survival of small businesses and social enterprises in Exeter. It is a partnership consisting of Peninsula Innovations Limited (PIL), who are responsible for the management of the University's Innovation Centre, Exeter College Business School, and the Fruit Tree for Business. The Fruit Tree for Business is contracted to deliver support to new or existing social enterprises in the city.
- 2.3 At Economy Scrutiny Committee January 2014 recommendation that further consideration to be given to whether funding which has enhanced support for the social enterprise sector should be continued and whether any changes should be made to the way support is delivered.

3.0 UPDATE ON THE PROVISION OF SOCIAL ENTERPRISE BUSINESS SUPPORT

- 3.1 The Heart of the South West Local Enterprise Partnership (LEP) has set up a number of Special Interest Groups, one focusing on social enterprises. The role of the LEP's social enterprise group is:
 - to provide advice and comment to the LEP board on issues that affect social enterprises
 - to champion social enterprises
 - to act as a consultation body on the LEP's European Structural and Investment Fund and the Strategic Economic Plan

This Special Interest Group is open to all social enterprises based within the LEP area.

- 3.2 Business support is provided through the (LEP) www.business-supportsw.com. This scheme was launched in September 2013 and support is primarily aimed at people and businesses located in rural areas throughout Devon and Somerset. However if a social enterprise is located in Exeter and requires this support and advice, they can only access this service, on the condition that they are a user of The Generator and or the Exeter Central Library Enterprising Libraries project.

The Generator, part of the Devon Work Hub, has affordable and flexible accommodation with access to resources in the area of marketing, research, development, branding and PR from in-house 'entrepreneurs'.

Devon County Council's library service is delivering a new scheme that will enable the redeveloped Central Library in Exeter to include a new Business and Intellectual Property Centre when it reopens Spring 2014. The Enterprising Libraries programme will aim to support small businesses, entrepreneurs and inventors with access to information to develop their businesses across a range of industries. Trained library staff will provide advice and support.

- 3.3 The Dartington School for Social Entrepreneurs provides training and opportunities that enable people with entrepreneurial ideas to achieve positive change in their community. The school was launched in January 2010 and is one of ten international schools and focuses on a 'learning by doing' approach, achieving this by inviting people to come in and share their knowledge with interactive sessions.

The school invites experts on finance, pitching, marketing, legal structures, impact evaluation and funding applications to come in and share their experiences and to pass on their knowledge.

- 3.4 During 2013 the Exeter Chamber of Commerce recognised ESSENCE as one of their official working groups as a network for social enterprises, co-operatives and social businesses. The overall purpose is to develop member businesses and the sector.

4.0 CITY COUNCIL SUPPORT

- 4.1 To assist in the review of support for social enterprises The Fruit Tree For Business has provided a detailed breakdown of support provided over the period of their contract. The table below summarises outputs secured, turnover and additional funds levered.

- 4.2 The table shows that over the four year period of the contract (still awaiting figures for Feb & Mar 2014):

- 168 social enterprises received advice
- From the above, 32 social enterprises were set up which created 31.8 jobs with a combined turnover of £1,759,120

Of the 32 social enterprises assisted to help set up 8 are no longer trading, with 5 unknown if they are still trading and 1 moved out of Exeter. It can be confirmed that 18 businesses have been set up and based in Exeter as a result of the support.

Of the 37.3 jobs created 9 are no longer employed, 3 jobs are unknown and 0.1 jobs has moved away. It can be confirmed that 25.2 jobs have been created in Exeter as a result of the City Council support for social enterprises.

	April 2010 – March 2011	April 2011 – March 2012	April 2012 – March 2013	April 2013 – January 2014
Total number of enquiries received through Exeter Business Support for social enterprises	65	80	97	64
Number of social enterprises that have received advice through Exeter Business Support	41	38	50	39
Number of social enterprises that Exeter Business Support have helped set up	10	8	8	6
Number of social enterprise jobs initially created through the businesses help set up	14.9	9.6	4.6	2.7
Number of additional social enterprise jobs created through the businesses help set up	1	4.5	0	N/A
Anticipated first year turnover of businesses help set up	£667,200	£386,000	£211,975	£173,200
Actual first year turnover	£396,013	£220,145	£73,444	N/A
Actual second year turnover	£352,947	£355,071	N/A	N/A
Actual third year turnover	£361,500	N/A	N/A	N/A
Total actual turnover	£1,110,460	£575,216	£73,444	N/A
Additional funding leveraged	£4,572	£80,600	£3,000	£88,172
Number of social enterprises help start up and assisted that are still trading	5	5	5	3

5.0 PROPOSAL

5.1 From the outputs achieved in terms of new social enterprises set up and jobs created it is felt that the original aim of supporting and developing the sector has been achieved, but some support should continue for the short term.

5.2 It is recognised that changes and reductions in public sector funding will continue to affect the continued delivery of valued public sector services. If the potential alternative model of service delivery through social enterprise or a similar organisational structure is to be pursued, support for their development could be channelled towards community groups and others with the desire to run public sector services.

Social enterprises or organisations with similar formalised structures are considered to have the potential to provide alternative means for delivering such services at, for example, the level of communities or partnerships formed for this purpose.

5.3 It is therefore proposed that the contract with The Fruit Tree For Business be extended for a period of 3 months to 30 June 2014:

- to allow for continued support to the sector whilst alternative options for ongoing support are considered
- to map existing and proposed support
- to discuss with neighbouring district councils whether there is merit in combining

or coordinating support for social enterprises

6.0 FINANCIAL IMPLICATIONS

6.1 The cost to the City Council to fund this proposal for the period 2014 – 2015 will be £6,250. The funding will be met from the Economic Partnerships Initiatives Budget.

7.0 RECOMMENDED

7.1 That Scrutiny Committee supports the City Council in continuing to fund business support for social enterprises up to 30 June 2014 and that officers be authorised to negotiate a service level agreement for this period of time with Fruit Tree For Business.

7.2 That officers consult with neighbouring local authorities on the provision of support for social enterprises and that work continues to determine how best to support the sector going forward.

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Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:
None