

Local Enterprise Agencies

LOCAL ENTERPRISE AGENCIES

Enterprise agencies now have a proven record of extremely low-cost job creation. They are the product of public, private and voluntary sector partnerships with the private sector being the single largest contributor. They are the manifestations of a new and localised form of economic recovery, which provides support and help based on an understanding and interaction with the community.

Today there are more than 250 local enterprise agencies sponsored by 3,000 different companies, local and central government, organisations and individuals. The range of activities of these agencies, built around a central service of free advice and counselling to the entrepreneur and prospective entrepreneur, is progressively being expanded to cover things such as training courses, exhibitions, newsletters, education links, small business clubs, access to funds for clients, property registers, inter-business trading within the local community, trade directories and running managed workshops. Surveys of the work of agencies have indicated that the agency movement now helps to create 50,000 jobs a year through business start-ups and to save 25,000 jobs a year in existing businesses – at an average agency resource cost of around £300 a job!

The early network

Yet less than 10 years ago not a single local enterprise agency existed. The first, the Community of St Helens Trust, opened its door to clients in 1978. Its first director, Bill Humphrey, created an organisational and operational framework for the agency, which has since been widely adopted in all its essentials within the agency movement, now documented by Ian Hamilton Fazey's book "The Pathfinder", published by Financial Training Publications Ltd.

The Community of St Helens Trust had a long gestation period, only taking its final form after considerable discussion and argument. It is not altogether surprising, therefore, that progress in replicating the St Helens initiative in other local communities proved initially slow. Parallel initiatives were under consideration in several other areas affected by industrial change. But much of the thinking then tended to favour initiatives to attract new growth industries into such areas, or to create new jobs through various forms of government subsidy. The problem with the former was that the supply of mobile industry seeking new locations for expansion was rapidly drying up, and with the latter was that it was generally proving to be difficult to keep

such jobs going without continuing to provide subsidies.

St Helens was, however, not slow to attract visitors keen to study the new approach of free business advice and counselling at the community level to local people with the will and ability to succeed in business, and to enable them to create new, viable, jobs for themselves and others. Most of these visitors went away impressed but many remained doubtful as to whether what appeared to be working in St Helens would work elsewhere. One visitor who did not share those doubts was David Trippier, later to become a Minister with responsibility for Small Firms, who lost no time in getting a similar agency off the ground in his home area, Rossendale. Another was Michael Heseltine, then Secretary of State for the Environment, whose Department subsequently provided backing for setting up new agencies in deprived inner urban areas.

The inner cities

However, it was the explosion of the inner cities problem in 1981, and the deepening recession in manufacturing, leading to the creation of Business in the Community and its sister organisation in Scotland, ScotBiC, which provided the impetus for a quantum leap forward in the enterprise agency movement.

BiC's main purpose was to be a catalyst and enabler in finding and promoting ways in which the managerial as well as the financial resources of industry, commerce and the professions could contribute most effectively to restoring the economic and social well-being of the community at large. The emphasis was very much on practical action at the local community level in partnership with other locally concerned bodies and organisations. But it was also on stressing to the private sector that its own commercial self-interest dictated that it should do much more to strengthen the prosperity and general well-being of the communities in which it operated.

Corporate support

The small band of private and public sector



Moir Forsyth seconded by British Telecom to BiC and chairman of the Manor Gardens Enterprise Agency in discussion with the minister for small firms David Trippier at the Department of Employment.

seconded – all at senior management level – who came together to form the original executive unit of BiC were quick to recognise in the local enterprise agency a ready-made and well designed vehicle which could be the basis for a successful national initiative. They set about building a network of agencies to such effect, that the numbers of agencies grew from 22 in 1981 to 61 in 1982, to 103 in 1983, to 180 in 1984, 211 in 1985 and to 250 by the end of 1986.

The remarkable growth owes much to the management skill, energy, dedication and sense of purpose of the seconded staff in the BiC executive unit who never numbered more than six in the early years. But, as time went on, there were several developments which helpfully reinforced the unit's efforts.

■ First, among the captains of industry, the need for the private sector to become more involved in tackling community problems became more widely recognised, not simply on an individual company basis or only through charitable giving, but in a

BiC and Enterprise Agencies

BiC assists enterprise agencies in a number of ways. It liaises on their behalf with central government and assists in raising finance from the private sector for agency funding. Sponsoring and other companies are encouraged to provide secondees to agencies and training is provided through a comprehensive series of courses and seminars for agency staff.

BiC also guides sponsoring companies in how best to assist agencies and small businesses; a recent example being the funnelling of £250,000 worth of free consultancy services by Peat Marwick McLintock to medium-sized firms through enterprise agencies.

The enterprise agency house newspaper, BiC Post, is produced bi-monthly by a BiC team which also publishes the quarterly BiC magazine for sponsors. A series of guidelines on agency operations covering topics such as setting up and managing an agency's methods of promotion and sources of information are published at regular intervals. BiC also provides the official directory of the movement which lists all agencies in the UK along with their sponsors and senior staff. Statistical data relating to enterprise agencies is also gathered and published by BiC.

concerted partnership effort with others and by contributing a resource which only the private sector could provide: business management experience and skills.

■ Secondly, more and more local enterprise agencies were able to demonstrate not only their ability to deliver considerable results but also their ability to do so in ways least likely to provoke or upset political sensitivities, thus attracting considerable support and involvement from Local Authorities.

■ The third of the developments was that Central Government, too, saw the kind of contribution which local enterprise agencies made to economic regeneration was one which fully complemented, rather than conflicted with, national policies and programmes. That recognition led to measures of Government support for the development of the agency movement, but it respected the need for the movement to be, and to be seen to be, independent.

■ Fourthly, helped by the merger of the CBI's Special Programmes Unit with BiC, BiC was able to develop an effective regional organisation able to keep in close "grass-roots" contact with the rapidly growing numbers of agencies and prospective agencies.

Also the close personal interest and involvement of HRH The Prince of Wales in the work of BiC and the enterprise agencies since he became President of BiC in 1985 has done much to enhance the public profile of, and sponsorship support for, the movement.

Ten years later

From its small and rather hesitant beginnings the local enterprise agency movement will soon celebrate its 10th anniversary as a potent, and still developing, force for promoting and assisting sound economic growth. If, in its early days, anyone had stopped to think about the long-term future of enterprise agencies it is quite likely that the view taken would have been "the more successful the agency, the quicker it will work itself out of a job". But the world has moved on and the importance of having a successful, expanding small business sector within the national economy is now virtually universally acknowledged. Today, therefore, it is much more likely that the view is "the more successful the agency, the more the local community will continue to need the services it can provide". Not necessarily only the services which it currently provides but services which will be developed to meet the changing needs of a thriving local small business sector.

The second 10 years of the local enterprise agency movement will offer the exciting and challenging prospect of building on the achievements of the first 10 years. It is right – and, indeed, essential if the unique value and strength of the movement is to be increased – that the task of future development should rest essentially with each individual agency and the local community which it serves. But it will be surprising if BiC, in its traditional role of catalyst and enabler, does not play its part in advising on, guiding and facilitating the developments which lie ahead, comparable with the part it played in establishing the agency network.

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A Local Enterprise Agency

Most local enterprise agencies are companies limited by guarantee. They are managed by a board with approximately 12 members, usually drawn from among their sponsors who may number between one and 75.

Normally there are eight representatives of industry and commerce, two from local government and two from elsewhere.

The Board raises the agency's funding in cash and kind and ensures that it is responsibly administered. Under the local enterprise agency grant scheme the government matches funds from the private sector up to a maximum of £20,000 provided that the agency's cash income does not exceed £60,000. In 1987 the average agency is receiving 60 per cent of its core funding from industry and commerce, 22 per cent from local authorities and 18 per cent from central government.

The day-to-day running of agencies is in the hands of an executive director or manager; of these 62 per

cent are employees and the remainder secondees. The mix of executive and secretarial/support staff varies from agency to agency but of over 900 people who work in agencies one in four are on secondment.

The main activity of an agency is to counsel new or existing businesses. An average agency carries out about 750 counselling sessions a year and two thirds of these are for potential new start-ups.

Around 90 will result in a new business which will employ one person in addition to the proprietor within the first year of operation. Each agency's counselling of existing firms will either create or safeguard an average of 180 jobs.

Other agency activities in support of small businesses may include the provision of training courses, newsletters, property registers, trade directories and small business clubs, and the management of workshop space for small firms.

Regional locations

WALES

Bargoed
Bridgend
Cardiff
Deeside
Haverfordwest
Holywell
Llandrindod Wells
Llanelli
Merthyr Tydfil
Mold
Neath
Newport
Swansea

NORTHERN IRELAND

Belfast
Carrickfergus
Larne
Newry

SCOTLAND

Aberdeen
Airdrie
Alloa
Arbroath
Ardrossan
Ayr
Bathgate
Cumbernauld
Cumnock
Dalkeith
Dumbarton
Dumfries
Dundee
East Kilbride
Edinburgh (EVENT)
Edinburgh (Leith)
Elgin
Falkirk
Fraserburgh
Glasgow (GO)
Glasgow (GEP)
Glenrothes
Greenock
Kilbirnie
Kilmarnock
Kirkintilloch
Leven
Motherwell (MET)
Motherwell (LIFE)
Newton Stewart
Paisley
Pittlochry
Stirling

NORTH EAST

Alnwick
Bedlington Station
Chester-le-Street
Consett
Darlington
Durham
Hartlepool
Hartlepool (HANDS)
Middlesbrough
Middlesbrough (YBC)
Morpeth
Newcastle
Newcastle (ENTRUST)
Newcastle (Project NE)
Newcastle (YEC)
Shildon & Sedgfield
South Shields

NORTH WEST

Accrington
Ashton-Under-Lyme
Barrow
Birkenhead
Blackburn
Blackpool
Bolton
Bootle
Bury
Carlisle
Chester
Clitheroe
Crewe
Ellesmere Port
Fleetwood
Kirkby
Lancaster
Leyland
Liverpool
Liverpool (METEL)
Macclesfield
Manchester
Nelson
Northwich
Oldham
Ormskirk
Preston
Rawtenstall
Rochdale
Runcorn
St. Helens
Sale
Southport
Stockport
Warrington
Wigan
Workington

YORKSHIRE AND HUMBERSIDE

Barnsley
Bradford
Brigg
Doncaster
Grimsby
Hallifax
Huddersfield
Hull
Leeds
Rotherham
Scarborough
Sheffield
Whitby
York
York (Vale of)

WEST MIDLANDS

Birmingham
Birmingham (3Bs)
Burton
Coventry
Dudley
Hereford
Stoke-on-Trent
Walsall
Warwick
Wellington
West Bromwich
Wolverhampton
Worcester

EAST MIDLANDS

Chesterfield
Corby
Derby
Grantham
Kettering
Leicester
Lincoln
Newark
Northampton
Nottingham

EASTERN

Basildon
Braintree
Bury St. Edmunds
Cambridge
Chelmsford
Chelmsford (Essex)
Clacton-on-Sea
Colchester
Grays
Great Yarmouth
Harlow
Huntingdon
Ipswich
Kings Lynn
Loughton
Lowestoft
Norwich
Peterborough
Southend-on-Sea
Sudbury
Wisbech

SOUTH EASTERN

Ashford
Brighton
Canterbury
Chatham
Dartford
Eastbourne
Folkestone
Gravesend
Guildford
Hastings
Maidstone
Sittingbourne
Tonbridge
Worthing

SOUTHERN

Aldershot
Alton
Aylesbury
Banbury
Basingstoke
Hatfield
Isle of Wight
Letchworth
Luton
Milton Keynes
Oxford
Portsmouth
Reading
St. Albans
Southampton
Stevenage
Watford

SOUTH WEST

Barnstaple (NDE)
Barnstaple (NDM)
Bath
Bridgwater
Bristol (BRAVE)
Bristol (NWT)
Bristol (St. Paul's)
Camborne
Exeter
Frome
Glastonbury
Gloucester
Guernsey
Horniton
Jersey
Launceston
Newton Abbot
Paulton – Co. Avon
Plymouth
Poole
St. Austell
Swanage
Swindon
Tiverton
Totnes
Trowbridge
Yeovil

LONDON

Battersea
Brentford
Brixton
Bromley
Camden
City
Croydon
Deptford
East Ham
Edmonton
Finsbury Park
Hackney
Hackney (LFC)
Hammersmith
Harrow
Islington
Morden
Paddington
Romford
Ruislip
Tower Hamlets
Twickenham
Walthamstow
Wembley