

Business Pre Incubation Network



Project Brief

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Barack Obama will support entrepreneurship and spur job growth by creating a national network of public-private business incubators. Business incubators facilitate the critical work of entrepreneurs in creating start-up companies. They offer help designing business plans, provide physical space, identify and address problems affecting small businesses, and give advice on a wide range of business practices. Obama will invest \$250 million per year to increase the number and size of incubators in disadvantaged communities throughout the country.“

Barack Obama

‘encouraging the development of new opportunities by supporting specialist networks, supporting the development of clusters; and linking to regeneration programmes’

(Accelerating social enterprise; ‘The Third Dimension’)

BUSINESS PRE-INCUBATION PROJECT BRIEF

1.1. Background

The proposal will establish a Hub and Spoke provision of Business Pre-incubation in Communities First Partnerships across Rhondda Cynon Taff (RCT). It is built on a strong network between Communities First Partnerships and support agencies, thereby ensuring a maximisation of resources and the avoidance of duplication. All business models will be supported but there will be an emphasis on social enterprise. The project is seen as a two year pilot scheme to investigate the value of pre-incubation to the development of businesses in Communities First Partnerships. It responds to the One Wales agenda and the Welsh Assembly Governments strategy for the development of social enterprise and the demands of the Communities Next and Communities@One programmes.

The project idea was initiated in 2004 and has been developed over that period of time with support from the Welsh Assembly Government (WDA & DE&T), the Coalfields Regeneration Trust, various support agencies and Communities First Partnerships. Documents produced over that period include a Feasibility Study and 2 Business Plans (one for a facility to be housed in the Porth Plaza and the current plan which will house the Hub at the TABS centre in Penrhiwgynt Road, Porth). All documents are available on request and are used to inform the Project Brief.

1.2. Project Definition

- The creation of a Business Pre-Incubation Network across committed Communities First Partnerships in RCT.
- The service will provide encouragement and support to individuals and organisations at the critical pre start up phase.
- This support will be provided through a network that will operate on a Hub and Spoke basis to maximise the resources available across RCT.

The COMMUNITIES FIRST BUSINESS PRE-INCUBATION NETWORK: Currently includes 17 Communities First Partnerships and relevant support agencies.

The HUB: The Telecentre And Business School (TABS) will develop pre-incubation service in Porth, as well as establishing a Social Enterprise Incubation facility.

The SPOKES: 6 Community First Partnerships will develop a facility offering Micro Pre-Incubation support to its businesses. The remaining 11 Partnerships will be supported in investigating the value of business pre-incubation to their communities. It is hoped that all remaining Communities First Partnerships within RCT will recognise the value of the Network and add their support.

Network Members are detailed in *Appendix 1*.

The Project objective is to provide an innovative pro-active response to the development of new businesses, in particular social businesses.

The Project will focus attention on participating Communities First Partnerships but will develop with the support of interested organisations to work across all areas within Rhondda Cynon Taff. In addition the project will link to all Heads of the Valleys local authorities with a view to sharing innovation and good practice in new business startup, again particular emphasis given to social enterprise startup. The project will include a European dimension via the Leonardo and Grutvig programmes, thereby allowing network members to link with, and visit, European partners, again with the aim of sharing innovation and good practice.

The new service will:

- § Provide pre incubation support to a minimum of 20 potential enterprises in the first 1 year, of which at least 50% will be defined as social enterprise – rising to 30 in year 2 with again at least 50% defined as social enterprise
- § Increase their chance of success- Achieving a 25% success rate in terms of company registration
- § Create at least 100 volunteering and training opportunities targeted at the economically inactive – rising to over 200 in year two
- § Establish businesses that deliver new services in the local economy that improve well being – reaching over 1,000 local residents over the two years
- § UpSkill the new businesses to embed the use of quality models to demonstrate impact in achieving social, environmental, technological & economic outputs

Beneficiaries will include:

- § Direct beneficiaries - Residents living and working in Rhondda Cynon Taf, with a focus on those disadvantaged and economically inactive.
- § Indirect beneficiaries - Those receiving new and enhanced services provided by emerging new and growing enterprises in sectors as diverse as creative industries: leisure, tourism and heritage: environment: health and social care.
- § Location – The pre-incubator service will be piloted in Porth (TABS) and Communities First areas across RCT. This learning will be used to explore opportunities to replicate the service in other regions across Wales.

Project Deliverables and Outcomes are detail in *Appendix 2*.

The constraints to the service will be guided by:

- Level of funding / finance available to the pre-incubation service and emerging new enterprises
- The ability of existing training provision to meet the stimulated pre-incubation demand
- The ability of existing business support to meet the stimulated pre-incubation demand
- The availability of affordable and accessible business premises

1.3. Outline Business Case (The Need for the Service)

The Pre-Incubation service will provide support to all business models but will focus on the development of social enterprise. The Business Case is based mainly on research undertaken across Communities First Partnerships within RCT and related to the growth of Social Enterprise over the period 200 – 2006. However it is reasonably clear that new business start-ups are low whatever business model is studied. The strategy and policy context ranging from WAG, local authorities and communities is one that is encouraging the development of more and better social enterprises. This pre-incubation service will focus on meeting the needs of one segments in the market, that of Communities First Partnerships. Social Enterprise is increasingly being seen by communities, practitioners, policy makers and investors as being able to make a unique contribution to creating and retaining wealth in depressed local economies. The development of strong social enterprise is seen by RCT Economic Development Strategy as playing a key part in the regeneration of the area. Social Enterprise Incubation has been accepted as a key strand of local economic development activity. WAG has launched a Social Enterprise Strategy to help grow the sector. Despite these stated priorities the number of social enterprise start ups has remained stubbornly low, with no significant new social enterprise establish in RCT since 2000.

Secondary research across RCT 200 -2006 indicated;

- Low levels of entrepreneurial activity, with RCT being the only authority in the South Wales Valleys area suffering a down-turn in new business start-up
- Very low numbers of new social enterprises established
- Decreasing numbers of women engaged in entrepreneurial activity
- Low numbers of unemployed people engaged in entrepreneurial activity
- Very few people with low qualifications engaged in entrepreneurial activity
- Access to finance/funding is a major barrier to entrepreneurial activity
- Enterprise education is identified as a significant lever to the development of entrepreneurial activity but is largely absent at community level

Primary research among Communities First Partnerships indicates that:

- 80% believe the potential for SE development is medium to very high
- The main support agencies Communities First Partnership link with are Interlink (80%); Groundwork (70%); Wales Co-operative Centre (60%) – very limited links with main stream business support
- Most partnership have just a basic understanding of Business Incubation
- Most partnerships identify Support for business development as a Medium to Very High priority (90%)

Pre-Incubation is about capacity building. It is about training and education. It is about awareness, aspiration, opportunity and the creation of an enterprising culture. It is about confidence building, skills build and vocational experiences. It is about mentoring and coaching. It is about research and consultancy and it is about general business advice and guidance. Existing programmes are a reactive response to demand.

This project will deliver a pro-active response to new business start-up which links the development of new business, particularly new social business, to existing provision and regeneration programmes such as Communities First.

1.4 Project Tolerance

The Project is funded by the Welsh Assembly Government (Department of Economics and Transport) and Rhondda Cynon Taff Unitary Authority and hosted and supported by the Telecentre And Business School Limited. Both funding streams will support development costs over the period October 2008 – March 2009. All project activity must be completed by March 30th, 2009. At this point there is no time or cost tolerances available to the project.

1.5 Customer Quality Expectations

The Network comprises Communities First Partnerships, training organisations and business support agencies. All these professional organisations have quality standards against which their activity and services are measured. It is therefore critical that the Pre-Incubation Service is developed with these standards in mind. The project will work with network members to:

- Determine what elements of their existing Quality Management Systems (QMS) should be included
- What other standards should be consider for inclusion
- What arrangements are being made to manage the service into their activities
- What arrangements are being made to support staff using the service
- What level of satisfaction should be achieved by users, providers and clients

1.6 Acceptance Criteria

This is the definition in measurable terms of the characteristics of the final products for them to be acceptable to clients and staff who use them.

Product Identification and Breakdown will occurring in the first stage of the project and will be presented at the next PRINCE2 meeting

1.7 Known Risks

The two known risks to project development at this stage are identified as

- No Project Cost Tolerances hence no access to funds to support any unforeseen projects cost
- No Project Time Tolerance hence project completion must be the 30th of March 2009

1.9. Time Line – It is planned to have the service operational in April 2009 with pre launch activity taking place between February and March 200

1.12 More Information - Contact Paul Nagle, TABS, Penrhiwgwynt Road, Porth, RCT, CF39 9UB. Tel 01443 682 312. Email: paulnagle@tabstraining.co.uk

Appendix 1: Communities First Pre-Incubation Network Support Agencies

Name	Organisation	Email
Paul Nagle	Telecentre And Business School Limited	paulnagle@tabstraining.co.uk
Alun Taylor	Coalfields Regeneration Trust	alun.taylor@coalfields-regen.org.uk
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Mark White	Communities Investment Fund	
Geoff Jones	Communities Investment Fund	
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Kevin Jakeway	Creative Communities	
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Rhysian Jones	UCW Swansea	
Richard Morgan	Valley Kids	
Tania Watts	A4E	
Diane Prosser	DASH Training	
Catryn Grundy	RCT Homes	CatrynG@rcthomes.co.uk
Vince Price	Cynon Valley Crime Prevention	vince@cvcpa.co.uk
David Griffiths	Porth Community Comprehensive School	

Appendix 1 (continued): Communities First Members

Gary Foreman	Penywaun Enterprise Partnership	garyforeman1@yahoo.co.uk
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Appendix 2: Communities First Business Pre-Incubation Service – Year 1

Outcomes

	TABS	Penrhys Forecast	Treherbert Forecast	Penywaun Forecast	PMP Forecast	Cwmaman Forecast	Fernhill & Glenboi	Total Forecast
Number of existing groups supported	10	3	2	1	2	2	2	22
Number of new groups / partnerships formed	5	1	3	3	1	3	2	18
Number of individuals supported	100	15	30	2	30	70	30	277
Number of volunteers engaged in support activities	10	20	5	15	12	6	10	78
Number of people following a relevant qualification	50	8	15	4	4	33	8	122

Results

	TABS	Penrhys Forecast	Treherbert Forecast	Penywan Forecast	PMP Forecast	Cwmaman Forecast	Fernhil & Glenboi	Total Forecast
Number of new business registered	5	2	8	1	1	2	1	20
Number of new business starting trading	3	1	3	1	1	3	1	13
Number of new jobs created	6	4	5	3	2	5	1	26
Number of people gaining paid employment	20	4	7	3	2	3	2	41
Number of qualifications gained	20	8	15	4	3	27	6	83
Number of people moving into further learning	20	7	8	4	15	13	6	73

Impacts

	TABS	Penrhys Forecast	Treherbert Forecast	Penywaun Forecast	PMP Forecast	Cwmaman Forecast	Fernhil & Glenboi	Total Forecast
Reduction in unemployment rate								
Reduction in economically inactive rate								
Increase in income generation								
Increase in social enterprise activity and strengthening of the third sector								

Appendix 2 (continued) Communities First Business Pre-Incubation Service – Year 2

Outcomes

	TABS	Penrhys Forecast	Treherbert Forecast	Penywaun Forecast	PMP Forecast	Cwmaman Forecast	Fernhil & Glenboi	Total Forecast
Number of existing groups supported	15	1	2	4	3	3	2	30
Number of new groups / partnerships formed	8	2	2	2	3	4	2	23
Number of individuals supported	150	20	35	2	30	70	30	337
Number of volunteers engaged in support activities	10	20	5	15	20	6	10	86
Number of people following a relevant qualification	75	10	20	4	6	33	8	150

Results

	TABS	Penrhys Forecast	Treherbert Forecast	Penywaun Forecast	PMP Forecast	Cwmaman Forecast	Fernhil & Glenboi	Total Forecast
Number of new business registered	8	2	12	1	2	3	2	30
Number of new business starting trading	5	1	5	1	2	2	2	18
Number of new jobs created	10	6	5	5	2	5	4	37
Number of people gaining paid employment	30	6	7	3	4	3	2	55
Number of qualifications gained	30	10	20	4	3	27	6	90
Number of people moving into further learning	30	10	10	4	15	13	6	88

Impacts

	TABS	Penrhys Forecast	Treherbert Forecast	Penywaun Forecast	PMP Forecast	Cwmaman Forecast	Fernhil & Glenboi	Total Forecast
Reduction in unemployment rate								
Reduction in economically inactive rate								
Increase in income generation								
Increase in social enterprise activity and strengthening of the third sector								

