

Facing with increasing pressure on public expenditure, the government is keen for councils to help communities become more self-sustaining. As part of his Inquiry Sir Michael Lyons has argued that local government should work more closely with the business community to promote and support local prosperity.

Here are five examples of how councils can help to create, support and encourage local businesses in their community.

1 GET NEW BUSINESSES UP AND RUNNING

The area of Derwentside traditionally focused on mining and manufacturing but in recent years these industries have declined dramatically, with devastating effects.

Derwentside UK is attempting to revive local fortunes with an economic development unit that has helped to launch 100 new businesses.

"We have a low level of entrepreneurship and a large proportion of disadvantaged areas, so it can be difficult to attract big employers," says marketing advice officer Andrea McGowan.

One of the key projects is Encourage, a programme designed to help locals start up new businesses by providing advice on everything from finance to marketing. Entrepreneurs looking to set up ventures in Derwentside receive a £300 cash incentive, as well as £2,500 to invest in new business equipment, using money from the Single Regeneration Fund.

Once the ventures are off the ground, they can access free, impartial advice from the business growth team, which helps new businesses take the next step, whether that's finding premises or employing staff.

"The aim is to hold their hands at every stage, really," says Ms McGowan. "Ultimately, the pay-off is in more businesses and a healthier local economy."

So far, of the 100 businesses supported by the council, more than 90 are still in business and the scheme has been highlighted as best practice by the Improvement & Development Agency (IDA). "They might not be major

Local government is taking an increasingly active part in supporting local business.

Sally Whittle looks at ways to get involved

employers, but it is creating employment," adds Ms McGowan.

Over the next 12 months, she believes the unit will help launch 50 more businesses, with more to come as the programme is rolled out in other districts.

2 FIT IN WORK WHEN YOU CAN

For some people, finding a job isn't a matter of having the right skills or finding vacancies; it's a matter of finding a job that fits around existing commitments.

"Many people have complex lives — from single parents to part-time students," says Wingham Rowan, project director of Slivers of Time, a part-time working scheme in Newham, East London.

The idea behind it is to make it easier for these people to access employment opportunities. Three hundred workers have signed up to Slivers of Time, which sells their time to local employers for an hour at a time. Workers don't need a large time commitment and employers have access to flexible, cost-effective labour.

In the local area, Newham LBC is the scheme's largest employer, although British Waterways and other local authorities have signed up.

After operating in Newham for a number of years, Slivers of Time is set to be extended to other London boroughs in the next 12 months. The biggest challenge new authorities will face is finding enough employers to sign up to get schemes off the ground, says Mr Rowan.

"Another challenge is the administration — to succeed, Slivers of Time has to be easy for people to use," he adds. "That means we need to worry about meeting service level agreements or negotiating around exclusive supplier contracts."

+ RESULT
More than 90% of the businesses helped by Derwentside are still trading



4 GIVE BUSINESS TO LOCAL FIRMS

The way to ensure that a business benefits from the benefits of local contracts is to make a local firm. That's what the City of London Corporation is achieving with recent contracts for investment advisers, law, financial system testing, security and IT services to create a local supply chain for the contract. "The bid didn't require to spend, and we didn't discriminate on the basis of location, but we did set up the bid and level things out," says London Economic community development director. "We're not trying to create a money hole or a cash drain, which takes money out of the economy, but we're trying to create a money hole in the local economy."

+ RESULT
Newham's Slivers of Time initiative is to extend to other London boroughs

"We ask people to contribute up to between 25% and 30% of local labour and government," says Mr Rowan.

The policy has already made a difference in the estate's catering services. "They have 25% local labour and a percentage of food is sourced locally," she adds.

Similar efforts have also been made in the purchase of maintenance, retail and other cleaning contracts.

However, in other areas, the policy is not so easy to stick to. For example, the open spaces department looks after green spaces in an area as busy as it is and appears to favour larger contractors.

Monitoring the local purchasing director, in place since April 2006, has been difficult, because there are so many departments and contracts involved, but Ms Edwards says that in areas such as catering, 40% of money is now spent locally.

SUCCESS FOR TOP 100: A business workshop run by East Riding of Yorkshire Council; Richard Carmer's vision of the future of the Elephant & Castle; Newham's Slivers of Time project matches part-time workers with employers

3 SUPPORT PEOPLE NOT PIGS

Locals in East Riding of Yorkshire sometimes say there are more pigs than people in the county and business services manager at the council, Adrian Shaw, suspects they're right.

"Our region covers 1,000 square miles and we definitely have a shortage of people," says Mr Shaw. The council has created a business support network that has recently earned it a boost in status for supporting new businesses.

Under the scheme — which has been highlighted as good practice by IDA — East Riding has set up six business support centres in market towns across the county.

Each centre has its own team of advisers, all of whom have experience of running their own successful businesses. These advisers provide entrepreneurs with one-to-one mentoring, as well as running seminars and training sessions that are open to any local business owner.

Crucially, the centres also include managed office space, which provides businesses with a flexible, flexible premises. "With this kind of population, it's not cost-effective for big companies to open serviced offices here," explains Mr Shaw.

"We can provide easy-in, easy-out terms, affordable rents and the bonus of having expertise on site."

One of the network's most successful aspects is the New Horizons programme, which provides entrepreneurs with intensive coaching through the creation of a new business.

"People can come in and have a one-hour chat with a business adviser, who will help identify potential pitfalls and encourage people to ask difficult questions," explains Mr Shaw.

"Then they will help turn this conversation into a business plan that hopefully will improve the odds of the business failing because of an underfunded issue."

LGC 15 March 2007 www.lgcnet.com

Find out more

- Derwentside Emerge Project** www.emerge-project.co.uk
- Newham Slivers of Time** www.sliversoftime.com
- City of London** www.cityoflondon.gov.uk
- East Riding Business Support Network** www.eastriding.gov.uk
- Elephant & Castle Regeneration** www.elephantandcastle.org.uk

5 GET LOCAL SHOPS UP AND RUNNING AGAIN

Recent events around the city's central square in London Elephant & Castle. Why did the borough's local shopping centre, Southwark LBC, have to close? It's hardly surprising, says Chris Viren, project director of the area's redevelopment. "We've got a 1960s shopping centre, a 1950s retail centre and a major road for handling very big commodities — not great premises for shops," he says.

As part of a £1.2-billion redevelopment of the Elephant & Castle will get a new shopping centre, Southwark LBC is keen to ensure there's a local business that dominates local shopping centre locally. "We have a very strong local business community of retail, restaurants and so on, so we want to make it as easy as possible for them to benefit from redevelopment," says Mr Viren.

To encourage local businesses to invest, Southwark is offering a grant of up to 10% of the cost of a new shop or office. The council is also offering a grant of up to 10% of the cost of a new shop or office. The council is also offering a grant of up to 10% of the cost of a new shop or office. The council is also offering a grant of up to 10% of the cost of a new shop or office.

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