

DERBY CITY PARTNERSHIP

Enterprise, Technology, Tourism and Culture: a Job Creation Strategy for Inner City Derby

**Annex to DCP's Objective 2 Action Plan
Information addressing the ESF measures**

March 2003



1. Introduction

The Derby City Partnership Objective 2 Action Plan *'Enterprise, Technology, Tourism and Culture: a job creation strategy for Inner City Derby'* was approved in February 2001. The Plan covered all ERDF measures in the programme, with the exception of Measure 2.1, dealt with separately, and Measure 3b, for which Derby is not eligible. The Plan also covered the two ESF measures 1.5 and 3a3. This document sets out in further detail what the key priorities are for Derby in terms of training and development and what Derby City Partnership wish to achieve with the ESF funds that have been allocated to the region.

2. Context

In recent years, Derby's economy has gone through structural change, primarily in response to global market pressures. Between 1985 and 1995, nearly 22,000 jobs were lost in the manufacturing sectors. Despite this dramatic decline, a high proportion of the city's workforce is still employed in manufacturing.

One of the consequences of these structural changes in the city is the polarisation of qualification and skills levels among local people. At one end, there is a high skills base, emanating from the transport engineering sector, new high tech sectors and the developing business and professional parts of the service sector. At the other end, a large percentage of people working in unskilled occupations have no qualifications at all. Restructuring of the Derby economy has also contributed to the continuing high levels of unemployment, as local people without qualifications or skills have not been able to access the new employment opportunities that have been created in the city. Unemployment is at its highest in the Objective 2 eligible wards, where poverty and disadvantage are concentrated, and where there is a need to arrest the continuing spiral of decline.

The city must therefore look to retain and strengthen the skills of the existing workforce, finding and supporting new jobs in growth sectors. It must also work to support the most disadvantaged communities access employment opportunities.

Derby, like other areas in the East Midlands, has a low density of business start-ups. Inner city businesses, particularly those in the most disadvantaged wards, have significant potential to contribute to Derby's competitiveness in terms of job creation and increased sales. Derby must also maintain and develop its knowledge and technology base, including ICT, to support related business opportunities.

3. Strategic Objectives

Derby City Partnership's vision is to make Derby a top ten city by the year 2020 – a great place to live, work and visit. The Derby City Partnership Action Plan contributes to this vision by providing a programme of strategic investment, business and training development to support job creation in growth sectors and inner city businesses and improve access to employment opportunities for local people. It is aimed at the five eligible wards of Abbey, Babington, Derwent, Litchurch and Osmaston.

The Action Plan addresses five strategic objectives:

1. To support the development of a creative industries' cluster through the provision and refurbishment of facilities and incubator units in the City Centre.
2. To support the development of inner city businesses, services and facilities in the inner city areas and in particular the city centre by redeveloping key sites and carrying out environmental improvements to enhance the 'Urban Offer'.
3. To strengthen Derby's competitiveness by supporting the development needs, including ICT, of growth sectors and inner city businesses including social enterprises.
4. To assist local people in the most deprived areas of Derby access the new employment opportunities by building capacity of local communities and developing facilities and services.
5. To improve and develop services, facilities and cultural events for tourists and visitors to the city centre.

The Action Plan approach allows Derby City Partnership to bring a strategic and co-ordinated approach to:

- Improving the economic viability of the city centre
- Increasing the number and variety of job opportunities for local people throughout the inner city
- Increasing the competitiveness of inner city businesses
- Providing a local programme of support to meet the needs of local communities.

The opportunity to access ESF will enable Derby City Partnership to more fully address the objectives of “**strengthening Derby's competitiveness by supporting the development needs, including ICT, of growth sectors and inner city businesses including social enterprises**” and “**assisting local people to access new employment opportunities by building capacity of local communities**”.

In section 5, we have identified the key priorities for Derby City Partnership in accessing ESF under the two measures 1.5 and 3a3.

4. Links to Other Regional/Sub-Regional Strategies

Objective 2 SPD

The SPD recognises the need to provide additional ESF resources to support the skills needs of those companies in the Objective 2 area that need to adapt and which is required if companies are to secure the benefits of support under the ERDF measures. Under Measure 1.5 the SPD supports management development activities, providing higher level training in key sectors, support for a supply of labour in priority sectors and guidance and advice for new start businesses.

Under sub priority 3a3 the SPD identifies the need to concentrate resources to tackle the multiple deprivation and disadvantage in some wards. It recognises that the regeneration process can be enhanced by bottom-up community based solutions. It also recognises that a number of integrated actions will be required.

Measure 3a.3, recognises the need to support human resource development alongside the community capacity building activities. It supports pre-employment and employability training.

Regional Economic Strategy

The Regional Economic Strategy, being taken forward by the East Midlands Development Agency, is the key regional strategy underpinning the East Midlands Single Programme Document. A number of thematic action plans have been developed by emda, to help deliver the Regional Economic Strategy. The ESF element of this local Objective 2 Action Plan links directly to the following priorities within the strategy:

- *Learning and skills* by increasing the skills of employed and unemployed people in response to market needs
- *Enterprise and innovation* by encouraging entrepreneurship and providing the training for new business start-ups
- *ICT revolution* by making ICT accessible to all individuals and businesses in the objective 2 wards
- *Sustainable communities* by building the capacity of local communities and empowering people to create solutions geared to their own needs

Integrated Regional Strategy

This economic strategy is a key component of an emerging *Integrated Regional Strategy* (IRS) for the East Midlands, which is being co-ordinated by the East Midlands Regional Assembly. The IRS will provide a wider framework for all strategic planning in the region, and includes a component which is aimed at achieving **social inclusion** throughout the East Midlands,

combating inequality and providing genuine opportunities for all to be able to access jobs, services and facilities. Measure 3a3 in particular supports the social inclusion component of the Integrated Regional Strategy by supporting CED residents to obtain the complementary skills necessary to fully engage in community regeneration activities.

Creative Industries Plan

The key benefit which flows from an expanding and developing creative industries sector is clearly an economic one. The City's greatest assets are its people, their skills and their imagination. As a city works to develop the creativity of businesses and people, so the attractiveness and success of the City will be enhanced.

ESF 1.5 and 3a3 will allow additional resources to be invested in the development of the creative industries sector and will directly contribute to some of the key issues facing Derby's creative industries strategy:

- Business Support – the need to improve the links and understanding between the creative industries and business support agencies
- The need to assist SME creative industries with their business management and marketing skills
- The need to develop measures to help develop and retain creative talent in the local area, including funding

2020 Vision

The Derby City Partnership's 2020 Vision document is the overarching strategy agreed by partners, which sets out priorities and objectives for achieving the vision of making Derby one of the UK's top ten cities by the year 2020. The Partnership recognises that poverty and disadvantage concentrate and impact disproportionately on certain geographic areas and groups, and have agreed six regeneration priorities. This new opportunity to access ESF will allow us more fully to address three of the six priorities:

City of Learning Priority

Key aspirations

- Continue to raise levels of attainment in literacy and numeracy and at Key stage 3.
- Develop and promote a Basic Skills Strategy

Prosperous City Priority

Key aspirations

- Support key sectors in the local economy, especially high value added engineering and creative industries.
- Encourage and increase a spirit of entrepreneurship

Regeneration and Neighbourhood Renewal Objectives and Actions

Key aspirations

- Improve quality of life in Derby's priority neighbourhoods.
- Transform the Derwent community into a confident and thriving one
- Continue to draw down maximum levels of Government and European funding to support the continued regeneration of Derby

ICT Strategic Framework

An Action Programme has been developed by emda to help regional and sub-regional partners integrate their approaches to ICT. Access to ICT is a priority action within the Action Plan for both SME's and communities to aid business development and learning. ESF 1.5 and 3a3 will contribute to two of the seven strands of the ICT strategic framework:

E-Learning in the region – By 2010 90% of citizens in the East Midlands will have basic IT skills.

E- Business in the region – By 2005 95% of all businesses in the East Midlands will have Broadband access, have a marketing web-site and use ICT effectively. Most interactions with both customers and suppliers will be conducted online.

FRESA

The East Midlands Framework for Regional Employment and Skills Action – 'Bringing Forward the Future' is driven by a partnership committed in creating a healthy regional labour market. The FRESA Forum have divided the plan into five priority themes:

- Raising skills levels in the workforce
- Management and leadership
- Employability for all
- Skills for enterprise and innovation
- Knowledge and ICT.

These five priorities are directly supported through the delivery of ESF priority 1.5 and 3a3.

Horizontal Themes

The ESF strategy supports and promotes the European Commission's cross cutting themes of environmental sustainability, equal opportunities and ICT. These principles underpin the strategy of the Action Plan and are considered as part of the holistic approach the partnership is taking to deliver the action plan. Please refer to section 1.1.1 of the action plan.

5. Priorities

Priority 1: Enterprise and Innovation

Measure 1.5: Learning and Skills for a Competitive Economy

Key themes:

Ensuring high quality training in entrepreneurship and innovation to support new business and social enterprise start-ups

Within Strategic Objectives 1 and 2 of the DCP Action Plan, ERDF is being invested in the development of physical infrastructure to support the incubation of new firms in the Derby Objective 2 area. The ID Centre has already created 1,042 m² of improved workspace. ERDF investment is also taking place in the development of social firms and the provision of community based finance.

Alongside this ERDF investment, it is important to ensure that potential and new entrepreneurs in the city have access to appropriate skills development to maximise their chances of business survival. This may include first stage business idea/ business planning training through to skills for marketing, finance, enterprise management, strategic planning and strategies for growth.

The Small Business Service recently reported that the East Midlands region relies heavily on major large employers for employment, more so than any other region in the country. Within the East Midlands approximately 66% of businesses are sole traders having no employees, 22% have 1-4 employees and 12% have more than five employees. Such statistics add further weight to the need for increasing the number of business births within the priority areas of Derby, and more importantly a need to provide new businesses with training support, encouraging new start ups, sustainability and growth.

The main industry sectors (Standard Industrial Classification 1992) of the new start businesses were real estate, renting and business activities (27.5%), wholesale, retail and repairs (23.4%), hotels and restaurants (13.2%), and construction (12.2%). (Small Business Service).

It is noteworthy that women comprise only 26% of the 3.2million self-employed within the East Midlands. Indeed, the Household Survey of Entrepreneurship found that the East Midlands has the lowest proportion of women entrepreneurs in the country.

More specifically the East Midlands Observatory, November 200, reported that there are approximately 23,766 registered self-employed males within Derbyshire, compared to 7,190 registered self-employed females with just 3% and 4% respectively from ethnic minority groups.

There is scope for Obj 2 ESF to encourage and support women and ethnic minority groups to consider self-employment as a realistic employment option.

Improving ICT across all sectors

Improved use of ICT is acknowledged as a key factor in the future economic prosperity of the East Midlands as a knowledge based economy. In particular, businesses are being encouraged to investigate e-business as a means of retaining their competitive edge.

Nevertheless, across Derbyshire county whilst 74% of organisations use computers, only 25% use IT for purchasing and only 17% for manufacture or process activities (Derbyshire Employer Survey 2000).

Lower level ICT training is widely available, however, there is a need to offer more advanced or tailored ICT training programmes to businesses and their workforce to enable them to embrace the business opportunities offered by ICT.

Derby City Partnership is undertaking research to better understand the ICT needs of businesses in the City. There will be a need to respond to training requirements that may be identified as a result of this research.

Training and education for continuing development of the workforce in traditional sectors, and emerging and growth sectors

Employers still report skills deficiencies in their workforce (Derbyshire Employer Survey 2000). Areas commonly cited include higher level skills, management & leadership skills and key skills in addition to job specific skills.

A high proportion of the City's workforce is employed in manufacturing industries, which remain vulnerable to global market pressures. Future growth depends on supporting these traditionally important sectors in the City and encouraging local growth by providing training to enable the workforce to update and adapt their skills to meet changing business needs.

In addition to supporting Derby's traditional industries, DCP aims to facilitate the creation of more jobs in new employment sectors such as the creative and cultural industries. Such job creation strategies have implications for the development of new skills sets in the workforce.

There is a need to ensure that the Objective 2 area workforce has access to appropriate skills development to update or retrain in response to the changing skills needs of local employers particularly in growth sectors.

Indicative Actions for Measure 1.5

- Support for business start-ups
- Provision of higher level skills development in the workforce
- Provision of training to address skills deficiencies identified by employers in new or growth sectors

- Support for management and leadership training for supervisors, professionals and managers
- Support for feasibility studies/research projects relating to skills needs in new emerging sectors
- Provision of tailored recruitment and training packages linked to new investment

Priority 3: Sustainable Communities

Measure 3a3: Employment Pathways and Developing Skills to Regenerate Local Communities

Key Themes

Building Community Regeneration skills and giving local communities access to new employment opportunities

Under Strategic Objective 4 of the DCP Action Plan, ERDF is being invested in the development of capacity within the community for regeneration. ERDF investment to date has already resulted in the development of an innovative community based financial initiative.

However, there is a need to ensure that Objective 2 CED residents have the complementary skills necessary to fully engage in such community regeneration activities. The Action Plan will enable the Partnership to take an integrated approach to community economic development by supporting individuals to take up opportunities developing under other strategic opportunities. For example, by facilitating access to new employment opportunities that arise and helping individuals to improve their educational and skills levels to increase their employability.

Local Learning Champion Schemes are one way of encouraging skills development in the Community. The University of Derby has successfully piloted a 'Valuing Experience' scheme (with the support of the Derbyshire LSC) using local learner advisors to work with residents to identify, develop and accredit skills acquired through participation in community based projects / community committees etc.

Such models are a proven way of using skills development to raise aspirations amongst the community and there is scope to invest further in such community capacity building activities.

It is important to note that there is a high level of community capacity building and training taking place under other regeneration initiatives in parts of the Objective 2 eligible area such as SRB, New Deal for Communities, Sure Start and URBAN II. Of the five eligible Objective 2 wards in Derby, four of them are eligible for support under Priority 3 of the SPD. These are Babington, Derwent, Litchurch and Osmaston. The Partnership will seek to bring together a range of funding streams to ensure delivery of capacity building activities in the areas of greatest need.

We also recognise that the level of funding available to support the training and development needs of individuals is limited under priority 3 of the SPD. The partnership will seek to access additional ESF funds through the Objective 3 programme to complement the activities under this measure of the action plan.

Indicative Actions for Measure 3a3

- Increase the confidence, abilities and life chances of local people through provision of basic skills training
- Training activities linking communities to specific employment opportunities
- Planning and running local training and employment Programmes including programmes which support the development of community financial instruments
- Provision of personal development and advice, vocational and pre-vocational training programmes.
- Actions which support involvement in community representative structures or community based projects.

6. Finance

Measure 1.5	2003	2004	2005	2006	Total
Public sector match funding	183,294	366,589	366,589	236,528	1,153,000
Private sector match funding	17,173	34,346	34,346	22,161	108,026
ESF sought	150,000	300,000	300,000	193,564	943,564
Total	350,467	700,935	700,934	452,252	2,204,589

Measure 3a.3	2003	2004	2005	2006	Total
Public sector match funding	18,333	43,967	73,333	30,556	166,189
ESF sought	15,000	35,973	60,000	25,000	135,973
Total	33,333	79,940	133,333	55,556	302,162

7. Outputs

Measure 1.5	
Learning and skills for a competitive economy	
Outputs	Derby
Number of beneficiaries getting help into self-employment	106
Number of companies helped	172
Number of employees helped	333
Results	
% gaining a qualification	64%
Survival rate of self-employment at 18 months	50%
Impacts	
Net new businesses running after 18 months	24
Net number of jobs safeguarded by ESF support	16
Net number of jobs created through support for self-employment	68
ICT Revolution	
Number of beneficiaries trained in IT	120
Number of companies provided with ICT related training	40
Equal Opportunities	
% of women receiving ESF support	33%
Environment	
Percentage of measure 1.5 beneficiaries receiving training in environmental technologies	*

*Outputs marked * cannot readily be quantified but will be monitored as the programme progresses to inform evaluation*

Measure 3a.3	
Employment pathways and developing skills to regenerate local communities	
Outputs	Derby
Number of people benefiting from ESF	685
Number of people benefiting from ESF supported training	205
% of women receiving ESF support	42%
Results	
% ESF beneficiaries achieving a positive outcome	63%
% ESF beneficiaries progressing to full-time or part-time employment or voluntary work	34%
Impacts	
Net numbers in work 6 months after ESF support	3
ICT Revolution	
Number of ICT initiatives supported	1
Equal Opportunities	
% of projects which offer access to targeted groups	100%
Environment	
Number of environmental supported	