

Education and Lifelong Learning Committee

This paper was submitted to the Economic Development Committee for its consideration on 12 December 2001. It is presented to the Education and Lifelong Learning Committee for information.

Title: Entrepreneurship Action Plan: Implementation: Progress Report

Purpose

1. To provide the Committee with an update of the current progress made covering the range of activities set out in the Entrepreneurship Action Plan's Implementation Plan. This is in response to the Committee's request on the 4th April that further progress reports be received for its consideration approximately every six months.
2. The Committee will be aware that the programme is a compendium of activity being undertaken by the main public bodies in Wales. These include ELWa, Finance Wales, the Welsh Development Agency as well as the Welsh Assembly Government and a range of local partners using their own funds and resources from the various European structural funds. The programme has been drawn together with guidance from a Panel comprising private as well as public sector experts under the Chairmanship of Roger Jones and supported by an executive team from the Welsh Development Agency. The report at Annex 1 has been prepared by the WDA's Entrepreneurship Unit.
3. The Committee is invited to note the position to date.

November 2001 Economic Policy Division

This report was prepared by the WDA's Entrepreneurship Unit

Purpose

1. The purpose of this paper is to report on current progress on key elements of the Entrepreneurship Implementation Plan.

Background: Action Plan and Implementation Plan

2. The preparation of the Entrepreneurship Action Plan was a key initiative announced in "Pathway to Prosperity" in July 1998. The private sector-led Steering Group produced an Action Plan that was endorsed in principle by the EDC on 29 March 2000.
3. The Committee agreed that an Implementation Plan should be drawn up which mapped out the key actions needed to promote entrepreneurship and enterprise across Wales, with detailed targets and outputs, lead agencies and associated costs. This was subsequently produced by the Steering Group and endorsed by the EDC on 1 November 2000.
4. An Implementation Panel, currently chaired by Roger Jones, is actively engaged in ensuring that the wide range of practical action set out in the Plan is being taken forward. The activity of the Panel is co-ordinated by, and underpinned by, executive support from the WDA.
5. The six key actions in the Implementation Plan are:
 - 1 Promoting an Entrepreneurial Culture
 - 2 Entrepreneurship within Career Development
Entrepreneurship within Primary and Secondary Education
Programmes of Enterprise in Higher and Further Education
 - 3 A Taste of Enterprise
 - 4 Entrepreneurship in the Social Economy
 - 5 National Business Birth Rate Strategy for Wales
 - 6 Entrepreneurship in Growth Businesses

On the 4th April, the Committee discussed progress achieved and agreed to consider further progress reports approximately every six months. Annex A gives outcomes against targets to date. Annex B gives details of the funding that has been identified to date. This consists of committed resources, allocations and bids either approved or in prospect.

6. Within the National Assembly, discussions are ongoing between the key administrative groups, Education and Life Long Learning and Economic Development, where their work is complementary in achieving the objectives of the Action Plan and its implementation. The

Education and Life Long Learning Committee will also have an ongoing interest in the relevant Key Action areas.

Progress to date

7. Work to raise national awareness and promote an entrepreneurial culture, Key Action 1, is well advanced. Objective 1 funds of nearly £10m have secured, and a media campaign and events programmes are underway. Further campaigns will be launched in the New Year in the light of the feedback on the effectiveness of the work undertaken so far.

On the education front, Key Action 2, Careers Wales has secured funding from Knowledge Exploitation Fund to train 300-400 Careers Advisors and HE and FE lecturers in Entrepreneurship. A close partnership has been forged between the WDA and ACCAC to integrate Entrepreneurship into the mainstream curriculum. Agreement has been reached to harness the energies of the IOD, CBI and the Chambers of Commerce under Enterprise Insight. Activities will include a Chancellors Award, an Enterprise Insight Wales Forum, Enterprise Olympics and Young Enterprise Conference. All activities will be fully integrated into the Entrepreneurship Action Plan. For the more mature sector, the Enterprise College – Europe’s largest on-line initiative - is up and running and fully subscribed.

A “Taste of Enterprise” is being taken forward through the Enterprise Factory concept. Menter a Busnes and the Wales Co-operative Centre have now joined forces with an Enterprise Agency to role out this project on an all Wales basis. The project under Key Action 3, provides not only advice and training but also premises for the potential Entrepreneurs from which they can operate and sell their products. The “breaking of the benefits trap” is being tackled by working in partnership with the Benefit Agency.

The Wales Co-operative Centre is playing a key role in developing the social economy, Key Action 4. To-date, 72 “social entrepreneurs” have received advice, resulting in 16 new co-operatives businesses being developed. The Social Economy Network have submitted an Objective 1 bid to research and collate data on organisations and best practice within the social economy in Wales.

In relation to Key Action 5, work is well underway on the Support programme for under-represented groups (Potentia). This project has brought together successfully a number of organisations from sectors which are currently under-represented and has enabled these organisations to set up effective networks and have enabled significant number of businesses to be set up. Furthermore, the baseline work being undertaken in the area of public sector procurement should in future assist Welsh SMEs to successfully bid for public sector contracts.

The recent approval of Finance Wales' Objective One bid (£45million) will facilitate support for new business development under the Business Birth Rate Strategy for Wales. Resources will be available for businesses who wish to access start-up equity and loans.

Activity under Key Action 6 will also benefit from this approval as resources will become available for companies who wish to access growth equity and premium equity funding.

Future Activities

8. While many elements of the programmes compose an extension of current activities, many aspects of the work are new and to some extent untested. In order to ensure that the programme as a whole delivers on its main objective of raising the stock of Welsh businesses to achieve the UK average level of VAT registered businesses per 10,000 people (see "A Winning Wales" page 21), rigorous evaluations are planned. These will review the effectiveness of the work to date and help inform future activity. The evaluation of the EIP will be one of the first major evaluations undertaken on a partnership basis in Wales post-devolution. It will help us to learn from what does and does not work and what lessons can be transferred to other initiatives.

In the short term, specific actions being pursued include, for example:

- Finance Wales Objective 2 Bid which will enable wider coverage of their activities
- Wales Trade International Objective One bid which will assist firms wishing to trade internationally.
- Expansion of in-school activities to capture the pupils at primary level and facilitate, over time, the promotion of an entrepreneurial culture in Wales
- Extension of the Technium concept such as proposals for a Technium 2 at Swansea, which will focus on developing high technology businesses and build on the success of the existing Swansea Technium.
- Formulating an Objective 1 bid to develop the Business Birth Rate Strategy along with the recently announced grant of £9m from the Assembly to support the development of new growth businesses. This will make a significant impact on increasing the numbers of successful businesses in Wales.

Conclusion

9. The Committee is invited to note the information, which details the current progress on implementation.

December 2001 Welsh Development Agency

OUTPUTS AGAINST TARGETS: SUMMARY AS AT 28.11.01

ANNEX A

KA1 National Awareness Campaign	2001 / 02			2002/ 03			2003 / 04			CUMULATIVE		
	Actual			Projected			Projected			Actual		
	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Total	Outturn to date	Difference
Entrepreneurs identified and used as role - models	70	130	60	180	0	-180	250	0	-250	500	130	-370
People (role models) trained for participation in Educational activities	20	20	0	60	0	-60	120	0	-120	200	20	-180
Number of people targeted with positive messages	20,000	80,000	60,000	500,000	0	-500,000	680,000	0	-680,000	1,200,000	80,000	-1,120,000

Note:

1. Baseline Research Project for Return to Wales Campaign is currently underway and is due for completion in January 2002

OUTPUTS AGAINST TARGETS: SUMMARY AS AT 28.11.01

ANNEX A

KA2 Entrepreneurship in education	2001 / 02			2002/ 03			2003 / 04			CUMULATIVE		
	Actual			Projected			Projected			Actual		
	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Total	Outturn to date	Difference
Career advisors, teachers and lecturers receiving training	0	80	80	600	0	-600	600	0	-600	1,200	80	-1,120
Individuals participating in e- college training	180	180	0	0	0	0	0	0	0	180	180	0
Beneficiaries receiving enterprise training	1600	1295	-305	4,000	0	-4,000	4,500	0	-4,500	10,100	1295	-8,805
Graduate company starts	40	36	-4	80	0	-80	80	0	-80	200	36	-164
Staff receiving updating training	330	221	-109	250	0	-250	250	0	-250	570	221	-549
SME's assisted with advice and / or training	300	843	543	1,200	0	-1,200	1,800	0	-1,800	3,300	843	-2,457

Notes:

1. Careers Wales are developing proposals to address the issue of resource material for use by the Careers Services and also to develop entrepreneurial activities for pupils.
2. Agreement reached with ACCAC to mainstream entrepreneurship into the National Curriculum
3. Agreement reached with IOD / CBI to deliver Enterprise Insight Wales within the framework of EAP. Early outputs include: Chancellors Award, Enterprise Olympics, Young Entrepreneurs Conference and the setting up of Enterprise Insight Wales Forum
4. E College, Europes largest on-line initiative is now up and running and fully subscribed

OUTPUTS AGAINST TARGETS: SUMMARY AS AT 28.11.01

ANNEX A

KA3 / KA4- Developing Enterprises and the Social Economy	2001 / 02			2002/ 03			2003 / 04			CUMULATIVE		
	Actual			Projected			Projected			Actual		
	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Total	Outturn to date	Difference
No. of new groups supported	20	47	27	30	0	-30	50	0	-50	100	47	-53
No. of new social entrepreneurs	100	72	-28	400	0	-400	500	0	-500	1,000	72	-928

Notes:

1. The Enterprise Factory concept is now being rolled out on an all Wales basis
2. Menter a Busnes, The Wales Co-operative Centre and an Enterprise Agency are working with the Benefits Agency to pilot ways of breaking the "benefit trap"
3. The Social Economy Network (SEN) have submitted an Objective 1 bid to research and collate data on organisations and best practice within the Social Economy in Wales

OUTPUTS AGAINST TARGETS: SUMMARY AS AT 28.11.01

ANNEX A

KA5 / KA6 -- National Business Birth and Growth	2001 / 02			2002/ 03			2003 / 04			CUMULATIVE		
	Actual			Projected			Projected			Actual		
	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Target	Outturn to date	Difference	Total	Outturn to date	Difference
Total public supported births	4,600	1,800	-2,800	6,300	0	-6300	7,900	0	-7900	18,800	1,800	-17,000

Notes:

1. Following the completion of the Business Services Review new EU bids for funding can now be accepted
2. Finance Wales Objective 1 bid has now been approved (November 2001) which will enable new businesses to benefit from start up loans, micro loans and small loans while the growth businesses will be able to benefit from the growth equity and premium equity funds
3. Objective 1 bid for mainstream starts awaiting approval which will result in over 6,000 additional jobs over 3 years
4. For high growth starts new funding secured to the value of £9 million over the period of 2002/03 to 2004/05 which will focus on businesses having £1 million plus turnover
5. The Wales Trade International £8.5m bid is under consideration which will work with 2, 850 companies on developing their international trade capabilities
6. Following the successful launch of the Swansea Technium a series of other Techniums are to be developed across Wales which will focus on developing high technology businesses

2001/03 Entrepreneurship Implementation Plan – Resources identified to date
ANNEX B

			Project Spend (£)	KA Spend (£)	Total Estimated Cost (£) ⁽¹⁾
KA1	Promoting an Entrepreneurial Culture				
	~	WDA/EU approved Obj. 1 project (2001/2003)	10.04m		
	~	Non Obj. 1- WDA Prospective Objective 2 bid	4.666m	14.7m	20.15m
KA2 S1	Entrepreneurship within Career Development				
	~	Careers Wales: prospective Objective 1 bid	0.14m	0.14m	0.35m
KA2 S2	Entrepreneurship within Primary and Secondary Education				
	~	ACCAC Work Enterprise Insight Wales	0.182m	0.182m	6.46m
KA2 S3	Programmes of Enterprise in HE & FE				
	~	Knowledge Exploitation Fund (2001/2003)	33.00m		
	~	E-College University of Glamorgan: approved Objective 1 bid	6.40m	39.4m	22.42m
KA3	Taste of Enterprise				
	~	Enterprise Factory: WDA/EU Objective 1 approved project	1.70m		
	~	WDA Prospective Objective 2 bid	1.125m	2.82m	3.4m
KA4	Entrepreneurship in Social Economy				
	~	(Wales Coop ~ Credit Union: approved Obj.1 bid)	(2.70m)		
	~	Social Entrepreneurs: approved Obj.1 bid	0.30m		
	~	Local Objective 1 approved bids	0.65m	3.65m	4.8m

(1) These figures comprise the estimated expenditure required under each Key Action as set out in the Entrepreneurship Action Plan prepared in 2000.

2001/03 Entrepreneurship Implementation Plan – Resources identified to date
ANNEX B

			Project Spend (£)	KA Spend (£)	Total Estimated Cost (£) ⁽¹⁾
KA5	A National Business Birth Rate Strategy for Wales				
	~	Under represented groups: WDA/EU approved Objective 1 bid (POTENTIA)	6.18m		
	~	Under represented groups WDA Non Obj. 1 (POTENTIA)	3.87m		
	~	WDA Mainstream Business Starts Programme	15.50m		
	~	EU/Finance Wales ~ Start up Equity & Loan Objective1	13.4m		
	~	Women's Enterprise Wales: EU/ Chwarae Teg Objective 1 approved bid	2.23m		
	~	Women's Enterprise Wales: EU/ Chwarae Teg non Objective 1	1.47m		
	~	Local Objective 1 approved bids	1.60m		
	~	Business Start Programme for high growth business	9.00m + 6m Potential EU Funding	59.25m	83.4m
KA6	Entrepreneurship in Growth Business				
	~	Finance Wales~ Objective 1 Funding	68.00m		
	~	Local Objective 1 approved bids	0.70m		
	~	Menter a Busnes Obj.1 approved bid	0.15m		
	~	WDA ~ Sole Traders Initiative	1.20m		
		~ Diagnostic Service	4.50m		
	~	Business Connect	12.50m		
	~	Wales Trade International project Obj. 1 (Being Considered)	8.5m	95.55m	93.6m
	Total EAP resources identified to date			215.70m	234.58m