

**ANNEXE TO
APPENDIX 4**

02 February 2004

**37 jobs, 8 new businesses, 100 jobs supported in nine months.
£120,000 inward investment and 100 new jobs in next three
years in primary growth areas – local jobs for local people**

Dear

We are aware of a proposal to reduce the grant from Leicestershire County Council to Leicester and County Co-operative Development Agency (LCCDA) by 35k in 2004/05 and to withdraw the financial contribution completely in April 2005. The staff and community board members of LCCDA have not been consulted regarding this proposal and have therefore not been given an opportunity to discuss the work of the Agency and its impact on Leicestershire citizens. We are not clear just what information has been presented to you so far and would ask that you take the following into consideration in making your decision.

LCCDA is aware that the County Council has subscribed to the Voluntary Sector Pact. It was agreed under this pact that if funding was to be removed from a voluntary organisation that it should be done on a tapering basis to allow the organisation time to source and obtain alternative funding. LCCDA is conscious of the budget pressures faced by Leicestershire County Council and understands the need to make savings and would have been pleased to discuss a tapering arrangement if we had been approached. We understand that the present proposal is to reduce the CDA grant by £35,000 with

effect from April 1st. This leaves the CDA a mere 7 weeks in which to find replacement funding, which is not a viable option within that space of time. This will therefore lead to redundancies and a subsequent reduction in the service provision.

The CDA is happy to discuss a tapering agreement that allows the grant contribution from Leicestershire County council to be removed over a period of time; a suggestion would be three years. This would allow the Agency time to source and develop other income opportunities such as EQUAL funding from Europe.

The CDA is working to develop target growth areas that will provide at least 120 jobs in the next three years. Two of these growth areas are childcare provision eg day-care nurseries, after school clubs etc and care services eg to the elderly, infirm and housebound.

Various government initiatives are concerned with getting parents back to work but these schemes are hampered by lack of affordable childcare. LCCDA has a network of 8 childcare co-ops across the county and is involved in discussions to develop a further three within the coming year. These businesses will provide invaluable childcare services allowing parents to return to work, training or education. They will also be able to draw down money from the specialist social enterprise development funds to the tune of at least £100,000.

The demographic profile of the UK means that eldercare is a prominent growth area as the number of people over 60 has, for the first time, exceeded the number of people under 16. The UK lacks a range of services for older people and co-operatives and social enterprises have been at the forefront of innovative ideas and businesses to address this problem.

One of Shepshed's biggest employers, employing over 70 people, is the award winning Shepshed Carers Co-operative, which was started ten years ago. This co-operative has brought job creation to an area devastated by the demise of the garment and engineering industries, providing well paid, fulfilling jobs and training opportunities to local

services and a host of other provisions that support the needs of rural people and small businesses.

Youth Arts Leicestershire is another prominent social enterprise development force via its work in more than 30 rural areas in Leicestershire. The co-op provides theatre and business skills to hundreds of young people and adults that it works with each year.

Soft Touch Co-operative, whilst being based in the City of Leicester, works with hundreds of young people and adults in the County of Leicestershire to prevent vandalism, crime, early pregnancies and drug misuse. Soft Touch is known nationally for its inspiring work and the CDA has worked with the co-op throughout its 17 year history to help the business to grow and develop.

Value Added benefits

Leicester and County CDA brings value into Leicestershire in a variety of ways:

- The Community Loan Fund which is available to LCCDA clients brings investment into Leicestershire and promotes the establishment and growth of social enterprises
- The recently established Social Enterprise Development Fund will provide another source of finance for enterprises in the County and will be accessible via the CDA
- The CDA also accesses funds from ICOF, the original lending arm of the co-operative movement, on behalf of its clients. The agency has worked with ICOF for the past 21 years to fund co-ops and social enterprises and has brought thousands of pounds into the Leicestershire community. This finance has helped to secure the establishment of new businesses and expansion of existing concerns
- The CDA is a member of Co-operatives UK, which is the federal organisation for co-operatives and social enterprises. Membership allows the CDA to learn from best practice and also provides access to national services that may benefit Leicestershire citizens.

- created 25 jobs
- provided 160 training places in areas such as financial management, marketing, personnel, employment and growth.
- Supported an additional 100 jobs through advice and guidance to existing businesses

The CDA is working intensively with 8 further co-operative groups who are at various stages of development. At least four of these groups intend to start trading within the next two months and will therefore join the other 46 co-operative businesses trading in the County of Leicestershire. A further 12 jobs will be created, bringing the total to 37. This equates to £2,000 per job created compared, for instance to New Deal, which costs £6,000 per job. The CDA's value for money regarding job creation is unmatched by any other organisation.

Many of the social enterprise and co-operative businesses in the County have now been trading successfully for over 10 years, providing jobs and services and contributing to the economy of the area, as well as bringing money into the area through inward investment. Social enterprises provide local jobs for local people on an ongoing basis.

The CDA also provides ongoing advice and support to existing businesses and during this period worked with 10 established co-ops and social enterprises on a variety of issues including loan finance, expansion and changes to legal structures.

LCCDA has helped to establish successful community development co-operatives such as Ibstock Community Enterprises and Measham Community Enterprise, now both nearing the end of their first decade of trading. These co-operatives act as a focus for their communities, providing office space, businesses services, meeting rooms, banking

people. The CDA is working with Shepshed Carers on a plan that will see the co-operatives workforce double to 140 employees over the next three years as the co-op spreads its geographical range across most of North Leicestershire.

LCCDA works across Leicester and Leicestershire to provide advice, support and training to social enterprise businesses. These include community businesses, co-operative business consortiums, development trusts, co-operatives and credit unions, which are financial savings and loans co-operatives that operate to bring financial services to those who might not otherwise have access to these facilities. The CDA works with local people to help them to provide jobs and services for themselves and others.

LCCDA provides a unique service of capacity and confidence building and business advice services to people who would not perhaps access conventional business services. The Agency has over the years proven that it reaches the people and areas that other agencies and organisations do not and has helped to create businesses that would not have otherwise existed. An independent report has recently shown that the services provided by LCCDA are not available anywhere else in the County.

In the County of Leicestershire, in the nine months between April to December 2003, Leicester and County CDA:

- advised 155 first contact clients
- worked extensively with 20 pre-trading groups to assist them to develop their business ideas. Please note that the CDA works with groups of clients, not individuals, so each group represents a minimum of two people but usually more.
- registered 8 new social enterprise businesses. Three of these enterprises are already planning to expand their businesses and to recruit more staff

- The CDA is a key member in various local partnerships. One example is the public / private partnership in Charnwood, which provides a social enterprise worker for the Charnwood area. The partners are LCCDA, AstraZeneca, Charnwood District Council and Charnwood CVS; all partners provide time and finance to the post.

Please contact Liz Kinross, Chair of the LCCDA Association or Dorothy Francis, Manager of the CDA if you would like to find out more about the work of LCCDA.

Yours sincerely,

Liz Kinross, Chair of LCCDA Association