

Enterprise Fund

Proposal for the establishment of a York Enterprise Fund to support existing and new local businesses

Summary

1. More support for business start-ups has been identified by the Business Forum and others as an area of need, and is an important way of strengthening the local economy to respond to the present challenges. York has a generally low rate of new business formation compared to regional and national rates and improving this has already been identified as an objective in the city's LAA. This is a significant issue especially when conditions are a disincentive to new start-ups.
2. In response, the council has already taken the step of establishing the Eco Business Centre at Clifton Moor which is approximately a third occupied despite being open since only September. The council has also been seeking ways with Norwich Union/Aviva in which a £50k investment from Norwich Union can be matched to establish a fund to support new business start up in York.
3. A further £100,000 could be drawn down from York Business Development Ltd, and York Professionals are in the process of seeking £50,000 of matched investment from its members which will be delivered through business advice and guidance. The proposal therefore seeks approval of £50,000 from the Council to support this enterprise fund.
4. Detailed DRAFT guidance notes for the operation of this Enterprise Fund are attached. Key next steps are:
 - Confirm contributions from all partner organisations – November 2008
 - Establish governance arrangements as outlined in the attached guidance note – November 2008
 - Launch and promote the availability of the Enterprise Fund, linked to launch of the Eco Business Centre
 - Target particular groups: for example, those at risk of redundancy, graduates wishing to set up in business in the City, disadvantaged areas of the City – action plan to be developed further in the New Year.
 - Regular monitoring of take up to be undertaken on a quarterly and annual basis.

Measurable targets and outcomes

Target – to support at least 20 enterprises within one year and over 3 years to support 50 enterprises.

Outcome – entrepreneurs are incentivised, businesses have a ready source of support during their set-up, ultimately impacting upon the rate of new business start-ups in the City.

Funding breakdown

City of York Council	£50,000
Norwich Union	£50,000
York Professionals (cash and in kind)	£50,000
York Business Development Limited (potential loan funding)	£100,000
Total	£250,000