

THE PRIME INITIATIVE

PARTNER NEWSLETTER

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PRIME loan fund enters its fourth year

The PRIME loan scheme has now been extended for a further year, building on the success and achievements to date. The loan portfolio is now approaching £0.5 million, making PRIME's 'loan-of-last-resort' one of the larger Community Development Finance Institution schemes. Over the last three years almost 100 new businesses have been helped through the PRIME loan fund, with over 100 new jobs created.

One of the main criteria of the PRIME loan fund is to create sustainable businesses. Not all the loans granted to date have been successful and we need to learn from our past experience. This is a responsibility shared between PRIME and our partner organisations.

We know that mentoring support - both before and after the business starts up, is a critical element in the survival rate. The time put in by mentors with such new and vulnerable businesses really does make a difference.

As part of a review of the loan scheme we have introduced some changes. The Guidelines, Procedures Manual and Application Form have all been updated, so please make sure you use the latest versions from our website www.theprimeinitiative.org.uk

Please ring us on 0208 765 7833 or email prime@ace.org.uk if you have forgotten the password, or want the documents sent to you some other way.

Two changes in particular are worth highlighting

1. Learning from best practice: loan panel meeting notes

When recommending a loan, many loan panels have been providing a brief note of the key issues raised and the responses received during the review process, particularly from the interview with the client. This is proving extremely valuable. It brings out key points that may not be clear from the application form and business plan alone.

So in future we would ask panels to include a brief letter or meeting note along these lines with all loan applications.

2. Financial Services Act: insurance cover

As a result of legislative changes that came into force in January 2005 under the Financial Services Act, it will no longer be a condition that PRIME loans granted after this date must be supported by the current insurance requirements. However, it remains best advice to clients to advise them to consider whether they wish to arrange their own insurance cover for the loan.

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Prince meets PRIME 'olderpreneurs'

PRIME's President, HRH The Prince of Wales, met some of the people who have set up businesses with help from PRIME partners at a special event in London recently. Prince Charles' association with PRIME goes back to its very beginning - he is the founder of PRIME.

At the event, held on the 25th of November at the Design Museum, the Prince chatted to some of the 'olderpreneurs' who have benefited from the scheme.

Owen Thompson, 72, from St Leonards in Sussex, is one of the oldest people to be helped by PRIME. A former teacher and antiques dealer, Owen has recently set up a consultancy firm which advises councils and other organisations on diversity issues.

'The Prince was amazed by how old I was', he said, 'but it seemed to me I had a wealth of experience. It would have been sacrilegious to have retired and put my feet up as if just waiting for God.'

Mike Crisp and Sharon Hocking from Stoke-on-Trent explained the concept behind House Hubbies, their thriving home repair and maintenance business that now employs nine people in the Manchester and Staffordshire area.

And Lawrence Wooden from Colchester in Essex showed the Prince samples of the 3D business cards and exhibition displays he makes - his firm 3D Creations also provides printing services for stereoscopic camera users.

Among the others 50-plus business owners the Prince met were Anthony and Carol Avard who breed and train pedigree dogs; David Cook, whose Animated Riding series of training DVDs is selling well to horse riders worldwide; and social entrepreneurs Ian and Susan Cross, who are now working with several UK local authorities to promote a safe, low-cost, live motor racing format following the success of their Autotestosterone board game.

His Royal Highness also talked to some of the advisers and mentors who have helped PRIME clients, including Victoria Milne and Graham McAlpine from InBiz, and Penny Hefferan from the Blind Business Association Charitable Trust.

In his closing speech the Prince said 'I founded PRIME as a result of receiving an increasing number of letters from people in their early 50s in despair who had been made redundant – sometimes after 20-30 years of working. I recognised there was a real problem and that something needed to be done. I believed – and still do - that the skills and wisdom of 50 years' experience are too valuable to be discarded and wasted.'

PRIME's Chief Executive, Laurie South, was able to explain to HRH The Prince of Wales the advantages of PRIME's business model which involves working in partnership with over a hundred partners, although it meant that PRIME could not claim sole responsibility for helping any over 50 to start a business. He also outlined the way in which PRIME was working with Jobcentre Plus to identify potential entrepreneurs who were on Incapacity Benefit. "For some of the 1.3

million over 50s on Incapacity Benefit," he was able to tell the Prince, "self-employment might be the only option. We need to break the cycle of Incapacity Benefit, before the cycle breaks the individual."

More than 5,000 people have now been given advice and sign-posted to partners over the last 30 months, and almost 100 have benefited from PRIME start-up loans.

But of the UK's 3.5 million unemployed 50 to 65-year-olds, 900,000 say they want to work, according to the government's own Labour Force Survey. So there's still plenty to do.

Read the Prince's speech in full:

www.princeofwales.gov.uk/speeches/business_25112004.html

Photography: PRIME clients at the event all received pictures afterwards. If there's anyone we've missed or who needs extra copies we've posted the images online at Photobox, where you can buy reasonably priced prints, tee shirts etc.

<http://www.photobox.co.uk/album/1064813>

<http://www.photobox.co.uk/album/1064747>

South West gets new PRIME Regional Development Manager

Sue Massingham has joined PRIME as the new Regional Development Manager for the South West of England. Many of you will know Sue from her previous job at Enterprise Plymouth Ltd (EPL) - a PRIME partner.

Sue takes over from Mike Lloyd (now at InBiz), whose departure from PRIME at the end of 2004 coincided with the successful completion of our previous contract with the South West of England Regional Development Agency.

We now have a new contract with the RDA, so we can continue to offer the PRIME programme in the South West. Sue will be contacting each partner individually to see how best to build on the work we've done together over the past few years.

In the meantime please do contact Sue on 07768 267319 or email sue48sm@aol.com

Popular 'Why consider self-employment' leaflet available again

We've just reprinted one of PRIME's most effective outreach leaflets, originally written by south-west PRIME partner BRAVE. The cover says "Over 50? We'll help you find your way into self-employment.' Inside readers are taken through a series of questions to help them decide if self-employment is for them, and to begin their thinking about the practical issues. There are boxes to tick and room for readers to write in their own ideas at key points, so the eight-page A5 leaflet starts the process of moving people beyond thought into action. There's space

for PRIME partners to stamp in their own contact details so people can go immediately to the next stage.

If you'd like free copies please ring 0800 783 1904 or email prime@ace.org.uk.

East Midlands Rural Update

PRIME's series of rural road shows is coming to an end, but the events have been well attended and put us in touch with a total of almost 350 potential clients so far from the region. The events, funded by EMDA, ESF Equal project CREATE and Government Office East Midlands, target people over 45 living in villages and smaller market towns in a bid to see if there is an unmet need for start-up information and business advice in such places.

The answer seems to be yes. For example, the most recent event in Worksop, Nottinghamshire attracted 61 visitors across the day, 25 of whom came to the afternoon exhibition and 46 to the evening event. In addition, we had 12 people who were unable to attend but who wanted delegate packs.

For most of the visitors to the road shows, it is their first encounter with an enterprise agency or Business Link, and the majority have said that they never realised there was so much help available for starting a business. Apart from successfully tackling the lack of familiarity with business support, the events have, through choice of venue and their informal style, attracted many people who would otherwise lack the confidence and motivation to approach an agency or to explore the option of self-employment.

There are two more events to go, at Ilkeston in Derbyshire and Bingham in Nottinghamshire. We'll then be in a position to assess what has been learned and share it with the other participants. Thanks to EMDA, CREATE, East Midlands Rural Business Desk, Experience Works!, WiRE, ShoutOut, ConnectUK, Jobcentre Plus, Inland Revenue Business Support Teams, New Business New Life, all the numerous local authorities, Business Links, enterprise agencies and other organisations who have supported the project.

PRIME will be at the New Business-New Life Enterprise Show held at Castle Donington in the final weekend of February. This annual event has attracted over 9,000 visitors over the last two years. It provides a big one-stop-shop in a central location, with lots of speakers and exhibitors under one roof. The approach complements that of the much smaller rural road shows, which go out into the localities where people live. It will be interesting to see what differences there are in the attendees.

STOP PRESS: It looks certain PRIME will be running at least two urban road shows in the near future. Modelled on the rural road shows, these will target over 45 people living in deprived wards in urban areas. The first event is likely to be in Nottingham - see www.primeinitiative.org.uk for details.

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Better labour market statistics available

The Office for National Statistics has made available very helpful figures on work and worklessness from a variety of official sources on its Nomis web site www.nomisweb.co.uk For most regions detailed figures are available down to ward level.

Of particular interest for PRIME partners, Jobseekers Allowance (JSA) claimants are broken down by age group, so the number of 50-plus claimants can be seen. This information is very useful for spotting unemployment black spots, and helpful for targeting events (such as road shows) and preparing project bids. Nomis is run for the Office for National Statistics by a team based at the University of Durham.

£12,000 grants available to help rural social enterprises

Grants of up to £12,000 and up to 30 days of free specialist advice are being offered to businesses as part of a new action research project.

The catch is that the businesses have to be located in rural parts of either the East Midlands, the North East, the North West or the South West.

And the business has to be a 'social enterprise' - that is a business that helps either its customers or its workers overcome some problem that is of social importance. There's a good definition at www.sbs.gov.uk/socialenterprise.

Examples of social enterprises are village shops, community transport schemes, and businesses that provide child care or support for elderly people in areas where such provision is lacking. It would be stretching the point to call the typical village pub a social enterprise, but if it also offered much-needed services that clearly benefited the community you might be able to make a case.

The research project is called 'Enterprise for Inclusion' and is financed by the Department for Environment, Food and Rural Affairs (Defra). It is part of an effort to find effective ways to assist people living in the countryside who are excluded from things that other people in the UK take for granted.

To qualify for a grant you need to be setting up or developing a social enterprise, or to be a voluntary organisation seeking to establish a social enterprise that will benefit socially excluded people in a rural community in one of the four designated regions. For more details and an application form please go to www.enterprise4inclusion.org.uk

PRIME is involved because it is a member of the consortium offering the grants and advice. Since the over 50s face greater problems with employment, particularly in rural areas, one of the things that a social enterprise can do to combat exclusion is to bring jobs or involvement in enterprise to older country residents.

But we are also interested, with our Age Concern hat on [PRIME is a subsidiary of the charity Age Concern], in the benefits social enterprises can bring their customers. In rural areas older people often suffer disproportionately when conventional businesses close down, or the market fails to deliver decent services. Conversely they often benefit substantially as customers when new businesses serving the community start-up.

Report from the North East

The extent of the problem of workless-ness in the North East was brought into stark relief by the report by the Social Exclusion Unit in September of last year on Jobs and Enterprise in Deprived Areas. It contains new evidence about how unemployment and economic inactivity is often concentrated into very local pockets - and of exactly where these pockets are. One-quarter of the streets in the North East are described as concentrations of workless-ness compared to just one in 40 in the South East.

Those who live in these streets, north or south, clearly share a common experience of disadvantage. But the comparison demonstrates how the scale of the problem differs so dramatically between the best and worst performing regions. It comes as no surprise to discover that self-employment in areas of high rates of workless-ness is half the national average. You can download the report from www.socialexclusionunit.gov.uk

Accepting that a problem exists is sometimes the biggest hurdle when it comes to persuading policy makers to act. But identifying the problem is often the easy bit. Working out how to solve it was part of the task of the Workless-ness Conference in Newcastle attended by nearly 200 specialists whose own employment was firmly linked to trying to get others to enter or re-enter the world of work.

The self-employment and enterprise option always sits a little uncomfortably at these gatherings. Everyone accepts that it's a good thing but few advisers at Jobcentres, Action Teams, Neighbourhood Renewals, New Deal for Communities etc are well informed about the details of support available for would-be entrepreneurs. As a consequence they find it difficult to identify what improvements could be made.

No wonder one of the main recommendations of the Social Exclusion Unit was to get all the agencies, and their funders, working more closely together. Only then will enterprise be viewed as a real route out of workless-ness. The report also identified the long over-due need to improve the signposting available to those who had been out of work for less than six months. PRIME, of course, would like to see more than the sign posting improved.

Enterprise Week, primarily aimed at raising awareness among the young, bent the rules a little in parts of the North East by inviting PRIME to a place at the table. It would be good to think that age was never an issue when it comes to enterprise promotion, but sadly it too often is. The facts are that people are MORE likely to enter self-employment as they grow older - just as they are more likely to drop out of the labour market altogether.

Anyone sympathetic to the idea that midlife workers aren't up for change should have come long to the first PRIMETIME for Enterprise workshop delivered in October by People into Enterprise in South Shields. They shared ideas, identified skills and resources with people at similar stages of their life and with similar ambitions. It was an inspiring and thoroughly rewarding day.

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Working Tax Credit - a guaranteed income for the self-employed

PRIME has now distributed over 28,000 copies of its guide to this valuable but often-overlooked Inland Revenue scheme. Many self-employed people on low incomes don't realise that they could be receiving a regular income from the tax man, and should be ringing them up to put a claim in rather than hiding.

The eight-page A4 leaflet concentrates on people over 50, as the rules of this reverse form of income tax vary with age. Over 50s returning to work after a period on benefit often qualify for more money, and they can get useful amounts of Working Tax Credit even for part time work as long as it's over 16 hours. Younger people need to be working over 30 hours to qualify for anything.

Another plus point is that the Inland Revenue understands the difference between turnover and net profit, and treats net profit as the key thing to consider when working out how much money self-employed people are entitled to. Since for many new businesses net profit is extremely low, many more people qualify for this reverse form of income tax than realise it.

PRIME's guide is now in its third edition and has been checked by the Inland Revenue and endorsed by Jobcentre Plus. Funding has come from One North East, the European Social Fund and SEEDA, as well as PRIME itself.

You can download the Working Tax Credit guide or read it on our web site www.primeinitiative.org.uk. If you'd like free copies of the paper version to give to other advisers or clients please ring us on 0800 783 1904 or email prime@ace.org.uk.

East of England update

PRIME is working on an EEDA research project, "Barriers to self-employment for the over 50s in the East of England ". The report from the first phase of this three-phase project is now available for downloading from PRIME's web site. It reviews the existing literature and goes into all the possible reasons that have been suggested for why more people in this age group don't set up their own businesses.

The next phase will investigate a selection of key locations in the East of England in much more depth. PRIME will be interviewing people who have

succeeded in overcoming these barriers, as well as those who haven't. In the final phase PRIME will make recommendations and share what's been learnt about how these obstacles can be overcome.

This piece of work dovetails into the Future East Workforce group, and, as ongoing work, will give a running start to their agenda.

Future East is a major regional initiative which PRIME is involved in in other ways. It aims to heighten awareness of the impact and implications of an ageing society in the East of England and to provide practical responses to them. It was launched in October 2004 at a conference in Cambridgeshire, with key speaker Malcolm Wicks MP Minister for Pensions and Older People.

The Future East partnership currently includes: Age Concern, PRIME, EERA, HDA, Jobcentre Plus and others. PRIME is working with the Active Ageing Workforce Group because of its interest in the over 50s and self-employment.

The aim of Future East is to promote and implement change. Emerging from the concept of a "Regional Forum on Ageing", the focus of the initiative is now on action.

The intention is that co-ordinated activity across the region will meet the challenges of an ageing society by age-proofing regional policy, increasing employment and opportunity amongst the over-50s and sharing best practice and innovations

Meanwhile PRIME and some of its local partners have been jointly running a series of free road shows looking at the franchise route into business, in conjunction with the British Franchise Association.

Local franchisees already in business in the region give a warts-and-all account of buying into and working in a franchise, providing very useful insights for people considering whether this route is for them. Thanks to our partners Southend Enterprise Agency Limited for the Essex event, and to Business Link Cambridgeshire and Fenland Enterprise, for the Cambridgeshire event. The road shows are part of the CREATE project, and receive funding from the EU European Social Fund.

PRIME is a member of the EEDA-funded East Mentoring Forum in the East of England. Given the importance PRIME puts on the mentoring role in start-up advice, we're always keen to put possible mentors in touch with their local partner organizations. Visit www.mentfor.co.uk for more information on how to join the forum.

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Picking the right complementary medicine course

Many people over 50 want to set up businesses in complementary medicine - for example in aromatherapy, reflexology, massage therapy or reiki. The problem when starting out is often to find the right training course to go on, and, more broadly, to establish what is the most suitable qualification to have.

'Choosing a course in complementary healthcare: a student guide' helps with both problems. Published by the Prince of Wales's Foundation for Integrated Health, it can be downloaded free from the Foundation's website www.fihealth.org.uk as a pdf.

The Foundation for Integrated Health is one of 17 charities sharing the Prince of Wales as President, and was, like PRIME, founded by the Prince.

The Foundation has recently been awarded a substantial grant by the Department of Health to continue its work on establishing standards and self-regulation across the ten most popular complementary medicine disciplines.

The issue here is consumer protection: the public needs access to properly qualified, competent and insured practitioners. The Foundation's chief executive, Michael Fox, says 'Over the next few years we would like to see the introduction of statutory regulation for acupuncture and herbal medicine, and major progress in the voluntary self-regulation of other complementary professions.'

Business advisers with clients looking at starting businesses in this sector need to be aware of these developments.

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South East regional update

We have a new Partner in our PRIME SE network. Kent Invicta Chamber of Commerce covers Ashford, Maidstone and Canterbury. We look forward to finding ways of working with them to build their business and to ensure that more people aged over 50 are given the opportunity to consider self-employment and business start-up in their area.

Up the road, the Enterprise Agency of North Kent has launched its own CDFI loan fund. With the right 50-plus client and the right business idea, this can be used in conjunction with a PRIME loan to spread the risk or increase the funds available.

PRIME has been involved in many events, including the fabulous 1066 event on Social Enterprise, and the East Sussex County Council day on how older people can influence local agendas.

Portsmouth does a lot for its potentially economically active population, but unfortunately major redundancies are still occurring so PRIME's links with the

SEEDA funded Jobcentre Brokers, who target areas where there are major redundancies. In PRIME's experience, major redundancies lead to a great deal of 50+ unemployment so the links with the Jobcentre Brokers has helped to offer a self-employment route for this potentially needy group.

PRIME had over 20 good leads from a major job fair in Rochester, and smaller over-50 events in Jobcentres in the region have added to the pot. Attending such events in person means that PRIME can reach individuals and talk to them about their dreams, plans, and concerns, and let them know where they can go locally for business advice.

PRIME has been involved in two successful Equal bids in the South East region, one specifically for innovative projects around older workers and the other for work in connection with helping prisoners to avoid becoming re-offenders by offering real employment opportunities. Self-employment provides a route for ex-offenders that avoids having to explain the employment gap. As with all such projects, the early months are the period for clarifying the ideas, which will then be piloted.

Franchising workshops in Wycombe and Crawley were really successful, and at least 45 people now have an in-depth knowledge of the structured business opportunities sector that they were considering investing in or wanted to know more about. When people leave saying - "that will really make a difference on what I ask at the meeting with my proposed franchisor" and "that really was 100% better than anything I had anticipated and the food was good too!" it makes you feel that mailing out 15,000 flyers to every location you could find, badgering our partners with emails, calling up every local newspaper and talking on the radio might just have been worth it.

The Train-the-Trainers workshops for mentors proved very good fun, as well as being a highly educational but jolly time. Plans are underway for follow up events, starting in the Brighton & Hove area in March.

PRIME will also be running another free 'It's About You' workshop at the end of February in Brighton for anyone over 45 who is thinking of starting a business or getting back into work. These workshops focus on the individual, and how their personal styles, interests and values can be used to guide them into the right form of employment or self-employment for their own personality and needs.

A similar approach will be used in a forthcoming PRIME leaflet on 'Finding the Right Business Idea'. Watch this space.

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