

WIRRAL COUNCIL

CABINET - 16 August 2007

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

## **SINGLE INWARD INVESTMENT AGENCY**

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### **1. Executive Summary**

- 1.1 Cabinet on 24 January 2007 considered a report relating to a proposal by The Mersey Partnership (TMP) to create a single inward investment agency for the Greater Merseyside Sub Region. Members asked officers to discuss the matter further with TMP to determine alternative funding requirements.
- 1.2 This report provides Members with an update on the TMP proposal and changes to the business plan.

### **2. Background**

- 2.1 The original proposal from TMP requested £140,000 contribution per year for a three year period. The resolution of Cabinet on 24 January was:

*“That this Council recognises the importance of the work which the Mersey Partnership is doing in attracting inward investment to Merseyside as a whole. It is also concerned at the increasing disparity between the relative performance of Merseyside and other important conurbations such as Greater Manchester. Wirral Council reinforces its commitment to the Partnership and its attempts to improve on our current performance. It is, however, recognised that this request for additional resources comes at a time when the revenue budget of Wirral Council is already being stretched and difficult decisions are being taken. In these circumstances, we would ask that officers continue a dialogue with Mersey Partnership as to how our contribution to this agenda can be maximised by way of secondment or other suitable means and ask for a further report to be produced as soon as ever possible.”*

- 2.2 Since January further detailed discussions have been taking place between TMP and all six local authorities in Greater Merseyside. A revised business plan was produced by TMP in April which required a far lower level of initial funding by all local authorities ie £50,000 per authority in the first year although future years still require a greater contribution. Officers have been clear to TMP that any commitment given will be for one year only and that any further request will need to be considered at the appropriate time, although the Council's budgetary position has also been made clear. Through the use of existing budgets within Wirral Waterfront and Wirral Direct together with the commitment of staff resources it has been possible to provide the commitment TMP was seeking for the first year. All the local authorities have been able to provide the required commitment but strictly for the first year only. There is no individual or collective commitment as yet to fund future years ie beyond 31 March 2008.
- 2.3 TMP as the sub regional agency for Greater Merseyside took the lead in developing a proposal to create a single inward investment agency along similar lines to MIDAS in Manchester. This was done primarily for three reasons:

**To improve the coordination of inward investment activities across the Merseyside sub-region, to pool resources/knowledge and share skills**

**To enable the sub region to compete more effectively for inward investment and to become more proficient at identifying and following through investment leads.**

**To create a structure that would attract greater financial resources from NWDA for inward investment activities in Greater Merseyside.**

- 2.4 On the basis of the single year commitment by local authorities TMP made a decision to establish the new agency. A new Board is now being established and this is due to meet in the near future. The Chief Executives from each local authority have been invited onto the Board along with representatives from the Universities, NWDA and the private sector.
- 2.5 One of the roles of the new Board will be to re-consider the business plan in the light of potential resources and to seek commitment from all the partners including NWDA and all the local authorities as soon as possible. The outcome of this and a clear statement of future requirements will be the subject of a further report to Cabinet.

### **3. Financial & Staffing implications**

- 3.1 As stated above support for the new agency has been agreed by all six local authorities for the current year 2007/08. No commitment has been given regarding future years. TMP sought funding of £50,000 from each of the six local authorities in Greater Merseyside. Wirral's contribution amounts to £30,000 cash support (£13,000 from the Wirral Direct marketing budget and £17,000 from Wirral Waterfront) and £20,000 in-kind support through the allocation of Wirral Direct staff time to undertake aftercare work that was previously carried out by TMP. Consequently there has been no requirement for additional budgetary resource in this financial year.
- 3.2 The current TMP business plan shows a requirement for an increased level of funding for the new agency from local authorities in future years. The level of funding required increases progressively from the current level of £50,000 to £140,000 per authority. There has been no commitment as yet that local authorities will provide that level of support, indeed officers have been clear to TMP that such an increased contribution will be very difficult to secure given the Council's budgetary position. Members need to be aware that no resources are currently available within current budgets to provide even the current level of commitment, let alone the level of commitment potentially being sought by TMP in future years. The option to maintain the current level of support by utilising Wirral Waterfront funding ceases at the end of March 2008 and therefore it will not even be possible to maintain the current level of funding being provided this year from within current budgets. The £50,000 contribution can only be made available from budgets this year
- 3.3 It is understood that TMP is securing matched funding from NWDA for the new agency. It is thought that NWDA is likely to contribute an annual amount equivalent to the total amount secured in cash from local authorities. At the time of preparing this report officers have not had confirmation of this from NWDA.

### **4. Equal Opportunities implications**

4.1 There are no equal opportunity issues arising from this report.

**5. Human Rights implications**

5.1 There are no human rights issues arising from this report

**6. Local Agenda 21**

6.1 There are no Local Agenda 21 issues arising from this report

**7. Local Member Support implications**

7.1 The creation of the new agency could have an impact on inward investment across the whole of Wirral.

**8. Background Papers**

8.1 Background papers to this report are held on file within the Wirral Direct team.

**9. Planning implications**

9.1 There are no planning implications arising.

**10. Community Safety implications**

10.1 There are no community safety implications arising.

**11. Recommendations**

That

(1) the report be noted and the £50,000 additional contribution be agreed for the 07/08 financial year, without any commitment at this stage to future years funding; and

(2) a further report be prepared for members as further detail of the development of the single Investment Agency occurs.

**J. WILKIE**

Deputy Chief Executive/Director of Corporate Services