

Wirral Council

Cabinet - 4th February 2009

Report of the Deputy Chief Executive/ Director of Corporate Services

Business Support in Wirral

1. Executive Summary

- 1.1 This report updates Cabinet on the performance to date of the investment made into business support service interventions in Wirral during the current economic conditions. Members are asked to note the excellent performance and the level of support offered to businesses by the Invest Wirral team. Members are asked to support the recommendations for further enhancing the business support activities outlined within this report.

2. Background

- 2.1 The UK economy has now been officially in recession for nearly twelve months. Business conditions have been particularly difficult following the extraordinary boom of the last decade. Over the last 18 months, conditions have deteriorated rapidly amidst global financial turbulence, weakness in major export markets, a property market crash as well as a surge in food and energy prices.
- 2.2 Since the onset of the recession, the Council and our partners have worked hard to ensure that we properly understand how it is impacting on the local economy, and in response have launched a number of initiatives aimed at mitigating the impact on businesses and the local community. The Council continues to lead partners in taking forward a co-ordinated and coherent response to the economic situation.

Business Performance

- 2.3 Recent analysis demonstrates that Wirral has considerably improved its business performance over the last few years. In 2007, the number of VAT registrations in Wirral was 720. This was up from the previous year's registrations of 590 in 2006 and the same number in 2005.
- 2.4 Business stock in 2007 was 6,140 which had increased from 5,880 in 2006 and 5,755 in 2005. Wirral also had the second highest number of Enterprise "births" in 2007 within the Liverpool City Region. This is an indication of the success of the Wirralbiz programme. Additionally, the 2007 survival rates of business operating for more than twelve months is the best in Liverpool City Region and higher than that of the Northwest and National rates.
- 2.5 Whilst not providing an up to date picture of the impact that current market conditions has had, this information indicates that the activities designed for

increasing enterprise in Wirral have been successful and makes the prospects of businesses surviving during recession good, providing that the right support measures are in place.

Planning for Recovery

- 2.6 Over the last nine months, the Council has held a series of strategic partner meetings to ensure a co-ordinated and comprehensive response to the current economic climate. Feedback from partners is being collated in a systematic and coordinated way, including:
- Through monthly meetings between the Council and business leaders;
 - Across the Council, through a key officers group;
 - With strategic partners through the LSP; and
 - Through a series of wider partnership meetings
- 2.7 A Recovery Plan is being developed by Officers based on the robust evidence base that includes key economic indicators as well as the qualitative feedback from partners about the impact of the recession.

3. Business Support Interventions

- 3.1 In March 2009, Cabinet agreed a sum of £1.6 (minute 394 refers) million for 2009/10 and 2010/11 to assist businesses in responding to the recession, in the main by providing financial support to small businesses but also by providing increased employer engagement activity.
- 3.2 Whilst the Council's Invest Wirral team continues to work with companies regarding expansion and investment plans, there are significantly more occurrences of them working with companies which are experiencing operating difficulties in the current economic climate. Invest Wirral is acting in a pro-active manner in identifying and targeting such companies and is working much more closely with partner organisations to ensure a coordinated approach and the financial support made available from the Working Wirral programme has had an immediate impact.
- 3.3 To complement existing business networking, every effort is being made to ensure companies can easily access the national support available. This includes:-
- Invest Wirral working with Business Link to ensure that information is cascaded through online business forums networks and Wirral Investment Network (WIN)
 - Setting up an online local business support/events calendar using a mixture of Working Wirral and European Regional Development Fund (ERDF) support which further promotes key support services
- 3.4 Invest Wirral has worked intensively with Business Link and other public sector agencies to design financial and consultancy support for businesses that may not be able to readily access the support currently available.

- 3.5 The BIG Grant, established in April 2009 to support small businesses during difficult economic conditions, continues to invest in projects that make a real difference to companies experiencing cash flow and financial planning concerns. It has made a real impact in supporting small companies, and Invest Wirral working in partnership with Business Link North West has strengthened the opportunities available in Wirral and safeguarded more than 105 jobs.
- 3.6 The Invest Wirral team has worked in partnership with the North West Development Agency (NWDA) to secure a number of high profile investments within the Borough. The Invest Wirral team has been highly successful in enabling Wirral companies to access support services that are available at the regional level. Some notable investments are:
 - 3.7 Bristol-Myers Squibb is investing over £3.7m in its research and development laboratory in Moreton. This investment will provide new specialised laboratories for the development of new dosage forms and drug delivery systems for innovative therapeutic agents, through upgrading and redevelopment of existing facilities. The investment will be supportive of the approximately 100 existing scientific, technical and related jobs at the site.
 - 3.8 Tulip Ltd, the UK's leading producer of pork and bacon products has announced the creation of 270 new jobs at its production facility in Wirral. In a move that will see over £12m of investment in the Wirral site, Tulip Ltd will create a modern, highly productive and state-of-the-art sausage production facility at Bromborough. The project received financial assistance from Wirral Council and the North West Development Agency (NWDA) to ensure that the investment from Tulip Ltd was made in Wirral.
 - 3.9 In March 2009, Cabinet approved the use of Working Wirral funds to enhance the business engagement activities of Invest Wirral (minute 478 refers). Wirral Council has maximised the use of this allocation to match European Regional Development Fund (ERDF) resources in order to appoint three seconded staff from Business Link Northwest to work with Invest Wirral to enhance its work with engaging with local businesses. The three staff (2 Growth Advisors/1 Training and Skills) are all dedicated solely to engaging with Wirral based business.
 - 3.10 The Wirral Business Forum (Businesswirral.com) is a unique business networking initiative launched by Wirral Council in October 2008. The network allows online communication between businesses, support providing organisations and the local authority. The Wirral Business Forum continues to successfully develop and grow. The Forum comprises regular cluster based meetings for its members but also online support services. The Business Forum now has more than 820 members. This is a fantastic achievement as the forum has only been in operation for 15 months since its launch in October 2008. The Forum comprises regular cluster based meetings for its members but also online support services. The latest forum to come on

line was specifically designed to support businesses from the Hamilton Quarter area of Birkenhead.

- 3.11 In November 2009, Invest Wirral hosted an event for businesses who want to improve their success in tendering for public sector contracts. The event, "Improving Success in the Public Sector", was designed to help local businesses understand the complex nature of public sector procurement and give an insight in creating a successful tender. It was highly successful and well received by businesses.
- 3.12 A special two day event was held at Invest Wirral offices as part of European SME week. Several Wirral based companies made appointments to participate in a series of face-to-face meeting with business advisory agencies such as the Manufacturing Institute, Business Link Northwest, National Apprenticeship Service, and Wirral Council. Following the sessions all of the agencies are now continuing to work closely with the companies.

Apprenticeship Programme

- 3.13 Members will be aware that In April last year, Wirral Council approved the development of The Wirral Apprenticeship Programme. This was in response to feedback from businesses and partners on the adverse impact that the recession was starting to have on the availability of apprenticeship places in the borough. Whilst demand for places from young people continued to be high, employers indicated that they were finding it increasingly difficult to support the business case for employing apprentices and have access to a growing available 'job ready' labour supply.
- 3.14 The Programme was designed around a number of driving principles:
- direct support to businesses in the recession
 - engaging new businesses with the launch of the new National Apprenticeship Service
 - In return, the employer is expected to offer a minimum 2 year contract of employment to the Apprentice
- 3.15 Crewe in February.
- 3.16 Invest Wirral has been invited by the Manufacturing Advisory Service (MAS) to do a presentation about the Council's business support in February 2010. Invitations are being sent to all North West regional local authorities to attend, and the event will not only introduce the MAS, but will also use Invest Wirral as the benchmark for best practice in business support and as a prime example of developing a successful partnership.

Outcomes

- 3.17 To date, the number of BIG grants approved totals £267,000, creating and safeguarding over 100 jobs.
- 3.18 In addition, a number of Think Big Grants for amounts in excess of £20,000 have been awarded. The support awarded to these businesses will result in the creation and safeguarding nearly 600.

Wirral Investment Network

- 3.19 Wirral Investment Network continues to play an important part in the delivery of business support activities. The board is fully committed to supporting the delivery of Wirral's Investment Strategy.
- 3.20 As a direct result, the number of hours of the co-ordinator employed by Wirral Investment Network (WIN) to support the relevant Wirral Business Forums has been increased using existing budgets secured from the Working Wirral programme. The WIN awards, which normally attract 320 guests, are due to take place 9th July 2010.

4. Enhancing the current provision

- 4.1 The success of the business support programmes in place in Wirral has outperformed expected outcomes, particularly in relation to the grant programmes and the Wirral Business Forum. Two main enhancements are proposed to ensure the continued success of the provision and support the delivery of the proposed economic recovery plan. These are:
- 4.2 The current arrangement in place to offer businesses support on financial planning and other advice is to utilise an existing agreement with Enterprise Solutions. This has previously been agreed by members. However, there is a requirement to undertake a suitable procurement exercise to formally appoint a suitably qualified organisation to offer specific advice to businesses under a separate contract from the arrangement that is currently in place with Enterprise Solutions. Therefore Officers propose to undertake a procurement exercise to contract with an organisation to deliver support services to Wirral business alongside the BIG grants.
- 4.3 In the meantime, members are asked to authorise officers to continue to work with Enterprise Solutions in an interim arrangement to ensure the continuity of business support advice during the current economic conditions whilst the supplier panel is established through via an appropriate procurement process.
- 4.4 Secondly, the unprecedented success of the Wirral Business Forum has meant that the current IT platform for enabling the online forum is going to become insufficient for the amount of businesses registering and using the forum services.
- 4.5 Currently, there are a number of services that we are unable to offer within the constraints of the current platform. In order to ensure that we can continue to offer members relevant content and services in a manner that is apace with industry trends and member demand it is necessary to upgrade the website.
- 4.6 It is recommended that Businesswirral.com is migrated away from the current Social Network platform and a replacement is introduced that meets the requirements of business members, partner organisations and Invest Wirral. This would allow for the best elements of the current social network to be maintained while introducing a number of much needed services and features.

4.7 The following member needs have been identified:

1. Increased business-to-business opportunities
2. Increased public sector business opportunities
3. A public business directory section enabling searches for local goods and services
4. Enhanced company profiles and PR exposure

4.8 Therefore, members are asked to allow Officers to commission a new web platform for the online business forum, undertaking a suitable procurement route advised by Corporate Procurement Unit.

5. Procurement Process

5.1 Corporate Procurement Unit (CPU) are advising on the best procurement routes for the supplier of business support services and for the new web based platform for the Wirral Business Forum.

6. Financial Implications

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7.1 The allocation made available for business support advice by Cabinet in March 2009 was £50,000 for 2009/10. The £1.6m of Working Wirral resources that Cabinet approved in March 2009 (minute 394 refers) will be used to pay for business support advice delivered by the new contractual arrangement for services in 2010/11. Additionally, the value of the contract will not exceed £50,000 for 2010/11 and the daily rate of business support provision will not exceed £600 per day (excl VAT for standard advice services, but in certain circumstances where specialist advice is required, a cap of £1,250 per day will be in place. This enhanced element of the support will need to be approved by the Deputy Chief Executive/ Director of Corporate Services.

7.2 The value of the work for the web platform for the online business forum will not exceed £28,000. It is anticipated that there here will be a recurring licence fee and maintenance cost which is not to exceed £8,000 per year for 2010/11 and 2011/12. This will be funded via the Business Engagement Project that members approved in March 2009 (Minute 478 refers).

7.3 All of the enhancements proposed above will be funded via existing allocations from the Working Wirral Programme.

7. Staffing Implications

7.1 There are no direct implications arising directly from this report.

8. Equal Opportunities/ Equality Impact Assessments

8.1 Any new contract awards will be made in line with the relevant Council policies.

9. Community Safety Implications

9.1 There are no implications arising directly from this report.

10. Local Agenda 21 Implications

10.1 There are no implications arising directly from this report.

11. Planning Implications

11.1 There are no implications arising directly from this report.

12. Anti Poverty Implications

12.1 There are no implications arising directly from this report.

13. Social Inclusion Implications

13.1 There are no implications arising directly from this report.

14. Local Member Support Implications

14.1 There are no implications arising directly from this report.

15. Background Papers

15.1 Further information on any of the support services mentioned in this report can be obtained from Alan Evans on 691 8426.

16. Recommendations

Cabinet is asked to note the excellent progress made in supporting Wirral businesses current, particularly the performance of the interventions put in place to place mitigate the effects of the recession and to support the following recommendations:

ii.) That Officers undertake a suitable procurement process to appoint an organisation to deliver business support advice functions to Wirral businesses in line with current programmes. This is specifically to support Wirral business on issues ranging from business planning to health and safety advice, funded from budgets previously agreed by Cabinet.

iii.) That Officers progress the upgrading of the web based platform for the Wirral Business Forum to increase its capacity and enhance the overall system in line with the process outlined in section 4 of this report. Members are asked to note that this is in line with the council procurement guidelines. This will be funded by budgets previously approved by Cabinet.

J. WILKIE

Deputy Chief Executive/ Director of Corporate Services