

WIRRAL COUNCIL

CABINET

12TH MARCH 2012

SUBJECT:	MICRO SUPPORT SERVICES - UPDATE
WARD/S AFFECTED:	ALL
REPORT OF:	ACTING DIRECTOR OF REGENERATION, HOUSING AND PLANNING
RESPONSIBLE PORTFOLIO HOLDER:	PLANNING AND REGENERATION STRATEGY
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1 Invest Wirral delivers a range of business support services that help businesses set up, grow and maintain competitiveness. A cabinet report in June 2011 set out proposals to expand these services further in order to respond to the needs of Wirral businesses and therefore to stimulate economic growth and create new jobs for the residents of Wirral. This report provides an update on how these services have developed and outlines some recommendations to ensure the new business support services provide the best possible value for money.

2.0 RECOMMENDATIONS

- 2.1 That Cabinet agrees the changes to the Investment Support Services Framework based on the information set out the report.

3.0 REASON/S FOR RECOMMENDATION/S

- 3.1 Supporting Wirral's businesses is one of the key priorities of the Council's Investment Strategy which aims to deliver a strong, vibrant economy with high levels of investment and employment opportunities for the residents of Wirral. Providing an effective and co-ordinated advice and support service to Wirral's businesses is critical to ensuring that they are supported to develop and grow sustainably.
- 3.1 The Investment Support Services Framework began implementation in September 2011. Since its inception the programme has developed trends in demand that were not anticipated in the initial planning stages. Through experience in delivering the new programmes Invest Wirral has identified changes that will improve service delivery and provide better value for money.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 Wirral's Investment Strategy recognises the importance of supporting businesses in order to deliver a strong and dynamic economy and provide employment opportunities for Wirral's residents. This includes encouraging the
-

start-up of new businesses as well as providing firms with the support necessary to enable them to grow and to remain competitive.

4.2 Cabinet on the 21st February 2011 (Min 327) confirmed funding to support investment growth and to continue business support services previously funded by Working Neighbourhoods Fund. Funding of £1.625m has been made available for the delivery of investment support services in 2011/12. It was agreed that in addition to the existing services available through Invest Wirral that further investment should take place to:

- Link business growth with the delivery of jobs for local people;
- Provide support targeted at micro businesses (3 or less staff and/or a turnover below £100,000) to encourage development and job creation;
- Develop a 'Business Angels' network to provide investment in fast growing enterprises.

4.3 This report specially looks at the service that supports the growth of SME's and Micro businesses.

4.4 **Support for Business Growth**

Business acumen within the private sector is the driving force of economic growth and job creation. Many businesses are preoccupied with the day to day running of their business and need intensive support to enable them to think strategically and take their business to the next level. Invest Wirral have procured a pool of skilled private sector individuals (SME Business Support Managers) who offer specialist support on key elements which promote business growth. The outcome of the support is to improve main business areas such as strategy and vision, people and processes, customers and sales and raising finance. These self-employed project managers are managed by Invest Wirral and employed on a task specific basis.

4.5 SME Business Support Managers are allocated business support projects with a specific timeframe and are paid £35 per hour.

4.6 This service has been very popular and has supported 100 businesses to date.

4.7 **Micro Business Support**

Invest Wirral have selected a team of Micro Business Support Managers to work specifically with micro-businesses (3 or less staff and/or a turnover less than £100,000) to support businesses in identifying barriers to growth and to support them to develop.

4.8 Micro Business Support Managers are currently paid £18 per hour and cover all business support areas affecting small local companies. The programme so far has supported 130 businesses.

- 4.9 The demand from Micro Businesses is high and the Micro Managers are providing intensive support that in many cases replaces the need to bring in a specialist SME business support manager which would have been more expensive.
- 4.10 We would like to propose a change to the original strategy which will spend the funding more efficiently while maintaining quality and helping more businesses.
- 4.11 At the moment Micro Managers support businesses with <3 staff and/or turnover less than £100,000. We would like to increase this to <8 staff and/or turnover <£200,000. This will reduce the need for Specialist SME Business Support Managers in these size companies, thus reducing costs. The demand for Micro Managers would increase due to the larger range of businesses. Therefore Invest Wirral would seek additional Micro Business Support Managers to join the programme.
- 4.12 As we are trying to attract additional Micro Managers and asking the current managers to take on more, which would be a change the current terms and conditions, we would like to reduce the gap in payment between Micro and SME Managers; our suggestion is to increase the current micro rate of £18 per hour to £25 per hour and Keep SME Business Support Manager on £35 per hour.
- 4.13 Cabinet approved an additional six workshops to be added to Invest Wirral's workshop programme which specific focus on micro businesses. The workshops have been delivered in partnership with the private sector and provide in-depth knowledge transfer on businesses growth related themes. The workshops provide good value for money by sharing knowledge with a small group of businesses rather than a one to one session. Invest Wirral would like to increase the number of workshops to twelve per year so more businesses benefit from of this.

5.0 RELEVANT RISKS

- 5.1 A full risk analysis had been carried out by Wirral Officers and the business support framework has been designed to offer Wirral businesses the highest quality level of support. The councils risk manager has been asked to comment on the requirement of the businesses advisors to have specialist professional indemnity insurance for advice and guidance and this has been considered and will be covered by existing insurance policies.
- 5.2 If the proposed changes to the programme are not adopted the potential risk is that the services become oversubscribed during the next financial year and the best value for money is not achieved.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 Officers have carefully developed the investment support services framework taking into account past experience of dealing with business in Wirral and best practice from elsewhere. The services have been managed successfully and can continue to do so without change, however, this could lead to less
-

businesses supported and full budget commitment before the financial year end.

7.0 CONSULTATION

7.1 Invest Wirral, through the Wirral Business Forum and the sectoral cluster groups, engage with businesses on a regular basis, listening and responding to their needs as appropriate. The services have been running for six months under the management of Invest Wirral, demand experienced during this initial phase has provided a firm justification for the suggested improvements to the services detailed in this report.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

8.1 There are no implications for voluntary, community and faith groups.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

9.1 Cabinet on the 21st February 2011 (Min 327) confirmed funding to support investment growth and to continue business support services previously funded by Working Neighbourhoods Fund. Within this budget, Cabinet approved an annual allocation of £300,000 of permanent financial support for delivery of SME Business Support and Micro Business Support as a key component of the Business Support Framework.

10.0 LEGAL IMPLICATIONS

10.1 The development of the Investment Support Services Framework complies with the obligations arising under the Bribery Act 2010 which came into force on the 1st July 2011.

11.0 EQUALITIES IMPLICATIONS

11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.2 This report does not contain implications for equality; however, future activities will be covered with an equality assessment within the business strand of the Investment Strategy.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 None as a direct result of this report

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are no implications for planning and community safety

REPORT AUTHOR: *Paula Basnett*
Head of Invest Wirral
telephone: (0151) 650 6926
email: paulabasnett@wirral.gov.uk

APPENDICES

Not applicable

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Council Budget 2011-12 Report to Wirral Council Cabinet	21 st Feb 2011
Business Support Services Report to Wirral Council Cabinet	14 th April 2011
Investment support services framework	23 rd June 2011