

'CONFIDENTIAL'**WIRRAL WATERFRONT PARTNERSHIP INITIATIVE****6****DATE: WEDNESDAY 13TH OCTOBER 2004****REPORT: WIRRAL WATERFRONT BUSINESS START PROGRAMME**

1. Executive Summary

- 1.1 At the meeting of the Business, Investment and Tourism Programme Steering Group [BIT PSG] on 16th September, 2004, I advised of the requirement to change the delivery arrangements of the Business Start Programme following discussions with Greater Merseyside Enterprises [now rebranded as Business Link for Greater Merseyside]. The BIT PSG agreed to these immediate changes in delivery because of the concern about the effect the current arrangements were having on business starts.
- 1.2 The need for this change is set out in the report.
- 1.3 The change in delivery arrangements required a competitive tendering process which is also reported. The lowest tender is well within the budget, which was approved by the Board on May 15, 2002, for the Business Start Programme. The difference between the budget and the tendered price will be reallocated to support other economic projects within Programme C. The Cabinet of the Council approved the change of delivery arrangements on September 23, 2004.
- 1.4 The new Business Start Programme commenced on October 1, 2004.
- 1.5 The Board are requested to note and endorse the actions taken to enable business starts to be assisted and the lifetime targets of the Initiative to be met.

2. Background

- 2.1 The Wirral Waterfront Board meeting held on 15th May, 2002, considered and approved an application from Greater Merseyside Enterprise [GME is now re branded as Business Link for Greater Merseyside] to provide a Business Start Service for Wirral Waterfront clients.
- 2.2 The objective of the project was to provide a service that recognised the needs of new businesses in a regeneration area and in doing so provide a service to Wirral Waterfront clients wishing to start their own business, irrespective of their growth potential, thus enhancing the business start provision provided by GME.
- 2.3 Unfortunately, ERDF funding restrictions have resulted in Business Link being unable to contract with Wirral Waterfront beyond December 2004 and since October 2003 they have only been able to offer a restricted service which does not meet Wirral Waterfront's objectives or those of Business Link. These issues have been discussed at length with

Government Office and are still continuing to address the situation. However, it is the view of Business Link and Wirral Waterfront that business starts are being affected by this uncertainty and, therefore, this proposal has been jointly developed to address it.

- 2.4 During this restricted period the number of new start businesses has declined and to overcome this Wirral Waterfront and Business Link have identified three accredited suppliers used by Business Link who could provide, directly, the enhanced level of service that is required by Wirral Waterfront. The three suppliers and their tendered prices are shown below:-

Enterprise Solutions [NW] Ltd	£395,975
Designated Associates	£685,500
Social Enterprise Network	£993,000

- 2.5 There is a significant difference in the tender prices and this has arisen for the following reasons:-

- Enterprise Solutions are currently actively working in the Business Start sector and are delivering a number of these programmes for other clients. They have at least ten years experience of delivering these programmes, have a good success rate of creating business starts and have a detailed knowledge of Wirral having worked in the area before;
- Designated Associates are essentially a generalist training company and their proposal will involve the use of external consultants to provide the expertise in relation to business start. They also require the work with a greater number of clients to achieve the Wirral Waterfront business start target because they do not have the detailed knowledge of Enterprise Solutions;
- The Social Enterprise Network developed a complex programme and their conversion rate of enquiries into business starts was low in comparison to the other proposals. These two reasons account for their high tender price.

- 2.6 These proposals have been fully evaluated and the Enterprise Solutions tender will provide the best value for money and a programme which will meet Wirral Waterfront lifetime targets for business starts.

3. Project Details

- 3.1 Enterprise Solutions will provide the complete Business Start service for Wirral Waterfront clients which will include a comprehensive training package, one to one counselling and mentoring for the clients and a full monitoring programme over 78 weeks to ensure sustainability of the new businesses.

- 3.2 The funding requested is as follows. The project will be reviewed annually to ensure that outputs are being achieved.

	Year 1 1/10/04 - 30/09/05	Year 2 1/10/05 – 30/09/06	Year 3 1/10/06 – 31/03/07	TOTAL
No. Business starts	72	72	31	175
Costs of managing and advertising the programme	£96,390	£86,390	£38,195	£220,975
Grant for new start business [average of £1,000 per new business]	£72,000	£72,000	£31,000	£175,000
TOTAL	£168,390	£158,390	£69,195	£395,975

- 3.3 The contract will be administered by experienced Project Managers within the Wirral Waterfront Team.

4. Views of Greater Merseyside Enterprise

- 4.1 Unfortunately, Greater Merseyside Enterprise are unable to administer the Wirral Waterfront Business Start Programme after December 2004 because they cannot guarantee access to European funding for their Merseyside wide Business Start Programme of which the Wirral Waterfront Scheme is part. This is part of a long running discussion that Government Office have been having with Greater Merseyside Enterprise / Business Link which is not yet resolved. Business Link are now, at the request of Government Office, preparing a Business Start Strategy for Greater Merseyside [including Halton] and Wirral Waterfront are working closely with Business Link to ensure that the Wirral Waterfront programme dovetails with the strategy. These discussions will continue over the next few months.
- 4.2 The course of action set out in this report has been discussed and agreed with Greater Merseyside Enterprise as it will complement their existing activities and deliver the maximum benefit to businesses wishing to start up in the Wirral Waterfront area.

5. Recommendations

- 5.1 The Board are requested to note and endorse the actions taken to enable business starts to be assisted and the lifetime targets of the Initiative to be met.

David Ball
Executive Manager