

WIRRAL COUNCIL

CABINET

10 FEBRUARY 2015

SUBJECT:	WIRRAL BUSINESS SUPPORT SERVICES UPDATE
WARD/S AFFECTED:	ALL
REPORT OF:	SENIOR MANAGER – BUSINESS AND INVESTMENT
RESPONSIBLE PORTFOLIO HOLDER:	CLLR PAT HACKETT REGENERATION AND PLANNING STRATEGY
KEY DECISION:	YES

1.0 EXECUTIVE SUMMARY

1.1 This report updates members on the progress of Wirral Council business support initiatives and the merger of Wirral Business Partnership and Wirral Chamber of Commerce (The Chamber). Member approval is sought for the formation of a strategic business collaboration between Wirral Council and The Chamber for the delivery of the borough's business support services.

2.0 BACKGROUND AND KEY ISSUES

2.1 Supporting the sustainability and growth of Wirral's businesses is a key priority within the Council's Investment Strategy which aims to deliver a strong, vibrant economy with high levels of investment and employment opportunities for Wirral residents. A critical element of the strategy is the provision of effective and co-ordinated guidance and the provision of support services to Wirral's businesses to ensure that they are fully supported to develop and grow sustainably.

2.2 Invest Wirral has attracted investments of £15.5m and secured nearly 696 jobs during 2014/15, Invest Wirral services include:

- Access to finance support;
- Wirral Business Growth Grant;
- Specialist business advice – the provision of expert guidance including one-to-one support, workshops and seminars;
- Merseyside Business Support Programme;
- A local Business Angel network to provide investment in new or fast growing enterprises;

- Wirral Business Forum - an online business communication portal providing opportunities for local inter-trading and development, with a growing membership comprising over 3,100 Wirral business people, companies, or organisations;
 - Locating business premises.
- 2.3 The use of external support and guidance can improve business skills and in turn business growth, with almost 6 in 10 SME employers who use strategic advice confirming to have improved business performance as a result. The BIS Small Business Survey found SME employers reported that business advice helped to increase sales, improve profitability and safeguard company survival. However, despite the benefits of external assistance, just 45 percent of SME employers in England had sought external advice or information on matters affecting their business.
- 2.4 Wirral Council wants to improve the take up and access to business support by local companies. The proposal is to do this by creating a single and streamlined access point for all business support in Wirral. By removing confusion in the market place and forming a strong and recognised brand for support, more businesses will engage and receive the advice they need in order to grow.
- 2.5 When operating in times of austerity and reduced resources, collaboration with key partners is vital to ensure that a high quality and effective service can be continually developed and subsequently delivered. The Chamber merged with Wirral Business Partnership in November 2013 to create a strong lobbying and business support voice for the Wirral business community and is a key partner organisation of Invest Wirral.
- 2.6 Wirral Council recognizes the role that the private sector can play in leading enterprise growth and delivering support services and is proposing to work in close collaboration with The Chamber in pursuit of evolving and improving business support service delivery and increasing its effectiveness.
- 2.7 Wirral Business Partnership was created in March 2013 through an amalgamation of Egerton House (Wirral) Ltd and Wirral Investment Network (WIN). Members agreed (29th November 2012 Min 139) to the Leader of the Council and the Strategic Director of Regeneration and Environment to join the board of Wirral Business Partnership, which, following the merger to Chamber status have now been transferred into the board of the Chamber. Due to this appointment on The Chamber board Wirral Councils Strategic Director for Regeneration and Environment has not been involved in the development of the proposed collaboration which has instead been led by the Senior Manager – Business and Investment.

2.9 The Chamber board comprises key, high level, successful and influential members from companies and organisations within both the public and private sectors. Its board members are made from the following people:

- **Asif Hamid (Chair)** : CEO, The Contact Company and Deputy Chair of Liverpool City Region Enterprise Partnership
- **John Syvret C.B.E.**: Chief Executive, Cammell Laird
- **Sue Higginson**: Principal, Wirral Metropolitan College
- **John Robinson**: Chairman, Scantec Personnel
- **Elaine Owen**: Managing Director, Designated Associates and Chair of the North West Women's Enterprise Forum
- **David Prior**: Egerton House (Wirral) Limited
- **Patrick McCarthy**: Deputy Chief Executive, Magenta Living
- **Alastair Gould**: Managing Partner, McEwan Wallace
- **Councilor Philip Davies**: Leader of the Council, Wirral Council
- **Kevin Adderley**: Strategic Director Regeneration and Environment, Wirral Council

2.10 The Chamber is actively growing its membership subscriptions and becoming more visible in its approach to proactively supporting the requirements and aspirations of its members. This is carried out through the provision of support services and its marketing and business profiling on behalf of its membership. It has a clear objective to become the key and most effective Chamber of Commerce in the Liverpool City Region.

2.11 The Chambers services include:

- Providing a voice for and on behalf of the private and social enterprise sector in Wirral, to articulate the needs of the business community and how jobs can be achieved;
- Delivering business start support including an online resource centre, business start advice and funding;
- Providing an all encompassing export hub including export documentation, advice and funding;
- Organising and encouraging local businesses to participate in overseas trade missions;
- Delivering support activities, workshops and events to promote and develop business enterprise in Wirral;
- Developing and managing a creative portfolio of managed business workspace to encourage new and existing company growth;
- Actively promoting business success stories from the local business community through strong and effective marketing, local and regional media resources and social media campaigns;
- Developing a Crime Reduction Programme which will encourage prevention and awareness.

- Training and up skilling of local workers and residents
- 2.12 Invest Wirral (the Council's business support team) and The Chamber both share a common agenda, which is to support the creation of employment opportunities, increase investment delivery, and encourage indigenous and inward business growth to improve its residents and its businesses economic prosperity. The current services of both teams complement each other however, there could arise some confusion amongst potential clients who need some clarity as to the differences in support offered.
- 2.13 In 1993, when Egerton House was refurbished it was developed under the umbrella that it comprised a mix between small private sector companies which could occupy space and have a location in which to grow, but also was home to what was referred to as a 'one stop business shop' This proved effective as all the main business support bodies of the day – Merseyside Development Corporation, Business Link, Wirral Chamber, DTI, Wirral Council etc, were under one roof and provided a single point of contact for business support and information. In 2015, a simpler model of this in the delivery of one voice business support in Wirral would be the collaboration between its two key bodies, Invest Wirral and The Chamber.
- 2.14 It is recommended the formation of a collaborative and powerful business team should be formed which would provide a simple, but significant and effective business support service. This would bring together Invest Wirral's and the Chambers respective expertise, experience, resources and strengths which would serve Wirral and its business community with a more proactive and concise support message.
- 2.15 It is clear that to compete with regional neighbours in a smaller but more competitive global investment marketplace Wirral needs to have clear and concise message being sent to investors and businesses alike and the formation of a strong, committed single body in the Borough will help to spread this message.
- 2.16 While resources at both Wirral Council and The Chamber are relatively limited, there would be strategies developed in which these resources could be pooled and used more effectively. The suggested collaboration is the most efficient way to achieve this.
- 2.17 The direct benefits of the collaboration would bring a reduction in general operational costs and overheads and a stronger, improved, and efficient service for Wirral residents and businesses.

- 2.18 The new public and private sector partnership would operate under the strength and globally recognised Chamber brand and would be a direct access point for all business support in Wirral.
- 2.19 In contributing to the proposed working arrangements The Chamber would fund operational costs including, rent, telephone landlines and meeting rooms etc. Creating a saving of £25,000 for Wirral Council. There are no other monetary terms associated with the collaboration agreement.
- 2.20 Invest Wirral staff would continue to be managed by Wirral Council within the Investment Strategy Team and will continue to deliver current and new Council business support initiatives.
- 2.21 A collaboration agreement has been drawn up by legal services covering the division of non-financial resources and a data sharing protocol between both organisations.

3.0 RELEVANT RISKS

- 3.1 By not forming this collaboration and continuing to operate independently the risks are not only duplication and poor resource allocation but two organisations competing and working for their own agenda rather than that of the wider business community. At stake are more jobs, investment, better service provision and a strong foundation for Wirral's future growth.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Two other options have been considered and deemed unsuitable including a secondment of the current Wirral Council business support team or a full outsourcing of the service.
- 4.2 The secondment of 6 Wirral Council business support staff into Wirral Chamber of Commerce was considered. Although, this would fulfil the objective of a single access point, it does however, surrender some of Wirral Councils control in how the service is delivered. Creating a clear single access point for support is imperative; however, it is also vital that Wirral Council maintains an impartial business support service that is available to all businesses in Wirral not just Chamber members.
- 4.3 The full outsourcing of services with potential TUPE of staff was also looked at. This was deemed unsuitable due the limited flexibility that would result from procuring services and signing a services contract. At the moment Wirral Councils business support team adapts quickly to the needs of its businesses and can help any business with various requirements. This flexibility and impartiality has been the conduit for

building trust and relationships between the current business support team and many local businesses.

5.0 CONSULTATION

- 5.1 This report is consistent with the principles of Wirral's Investment Strategy, which provides the framework for business support activity and this has been reviewed following an extensive consultation with partners. The development of the proposals has also been informed by the consultation which has taken place with a number of private sector partners and members of The Chamber Board.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 None as a result of this report.

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

- 7.1 The collaboration agreement between Wirral Council and Wirral Chamber will create a financial saving of £25,000 for Wirral Council through a reduction in operational costs for Invest Wirral. This saving forms part of the pre-agreed efficiency savings already built into the 2015-16 budget.
- 7.2 The current Invest Wirral staff will continue to be employed and managed by Wirral Council.

8.0 LEGAL IMPLICATIONS

- 8.1 A Collaboration Agreement has been drawn up and approved by the Head of Legal Services.

9.0 EQUALITIES IMPLICATIONS

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

(a) Yes and impact review is attached

This links to the existing EIA conducted for Wirral's Investment Strategy
<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010-0>

10.0 CARBON REDUCTION IMPLICATIONS

- 10.1 None

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None

12.0 RECOMMENDATION/S

12.1 It is recommended that members approve the formation of a collaboration agreement between Wirral Council and The Chamber to deliver all business support services in the Borough.

12.2 The Head of Legal and Democratic Services be authorised to sign a legal collaboration agreement between the Council and The Chamber upon the content of this report.

13.0 REASON FOR RECOMMENDATION

13.1 To enhance the delivery of business support activity within the Borough by supporting the partnering of two key business support teams to form a single point of contact for all business support services in Wirral.

REPORT AUTHOR: Gemma Stewart

REFERENCE MATERIAL

Appendix 1 – Collaboration Agreement

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Egerton House	29th November 2012