



COUNCILLOR PHIL DAVIES
LEADER OF THE COUNCIL

CABINET
16 JANUARY 2017

**DELIVERING GROWTH IN WIRRAL –
SECURING INVESTMENT**

Councillor Phil Davies, Leader of Wirral Council said:

“In 2020 Wirral has to be self-sufficient – the only money we will have to invest in our borough, in the services residents rely on, will be the money we can raise ourselves. This simple fact puts strengthening our economy, supporting businesses to grow and encouraging businesses to move here and create jobs, at the top of our agenda.

“We are determined to ensure Wirral residents have access to good, high-paying jobs, at businesses which are supported to succeed and expand. The proposals contained within this report are part of our drive to achieve this.”

REPORT SUMMARY

The Wirral Plan: a 2020 Vision includes a number of outcomes and actions relating to economic growth within the Borough. This is based on the recognition economic development is a critical activity to support Wirral’s residents to access jobs, housing and achieve a good quality of life. To deliver the Wirral Plan the Council is taking an approach which will catalyse and encourage significant amounts of investment into the Borough, including creating appropriate delivery structures which can more easily work with and respond to the private sector.

In December 2016 Wirral Cabinet agreed a report ‘Delivering Wirral’s Growth’ which outlined proposals for creating a property company to drive forward investment, regeneration and secure increased income for the council, and officers were instructed to present an options appraisal to Cabinet in February 2017.

The December report also identified a number of actions which needed to be progressed in parallel to this work in order to capitalise on immediate opportunities for growth within the Borough and also to ensure the establishment of the proposed property company

would be supported by a strong and coherent offer to investors. Officers were authorised to progress these actions which included:

- More effectively promoting Wirral's growth agenda and potential to investors in a strategic, structured, highly professional and commercial fashion;
- Promote opportunities to existing businesses to secure improved and increased space;
- Ensure inward investment is managed in an integrated and strategic way with our partners;
- Join up partners, council, investors, businesses and residents around a single vision for Wirral's regeneration.

This report sets out the work officers have undertaken to scope these activities further and to identify how best they can be delivered. The report also sets out some key short term opportunities which are critical to raising Wirral's profile and therefore maximising its ability to attract investment. This includes ensuring Wirral's growth opportunities are developed into propositions for the international property forum, MIPIM, which takes place in March 2017. The MIPIM conference takes place annually and is the key event attended by the world's major development and investment companies looking for investment opportunities.

Officers have reviewed the options outlined in the December report as to the approach that could be adopted to deliver these activities and, given the need to capitalise on these events, to deliver at pace and provide a more co-ordinated offer to investors, it is proposed these actions can be most effectively and efficiently progressed through a combination of approaches including:

- work carried out in-house – utilising input from officers within the Strategic Hub;
- targeted and initially short term collaboration with key city region partners already active in this area of work. Liverpool Vision has expertise in both marketing and investment and their officers have worked across the city region on events such as the International Festival for Business. Liverpool Vision is currently organising the city region's input to MIPIM 2017;
- the creation of a short term post to drive investor development activity and to ensure that the investment market is fully alerted to the property company proposal.

This approach will enable work to be carried out in the short term to meet the timescales associated with MIPIM and the establishment of the Property Company, whilst allowing for a review to be undertaken after six months to establish whether there is a need for the activities to be continued in the light of the setting up of a property company and future city region activities.

The actions will support the Wirral Plan pledges as set out in the Wirral Growth Plan, including:

- Increase inward investment
- Greater job opportunities in Wirral Council
- Thriving Small businesses

This matter affects all Wards within the Borough. It is not a key decision. In light of the time critical nature of these activities it is considered necessary to request that call-in is waived

in this case. This will enable the activities to progress at once and therefore ensure that work is completed in time to meet deadlines for key events such as MIPIM. Due to the absence of the Chief Executive, and on his behalf, the Assistant Chief Executive recommends that call-in be waived.

RECOMMENDATIONS

Cabinet are requested to:

1. Authorise officers to work with Liverpool Vision over the next six months to develop the strategic narrative to underpin the proposed Property Company and to deliver value propositions for the promotion of Wirral's growth opportunities. This approach will be reviewed in line with emerging Combined Authority arrangements.
2. Authorise officers to create and advertise a temporary post to drive forward investor development activity and to carry out a review to determine whether there is a business case for the continuation of this post.
3. Given the urgency to implement these proposals, in order to deliver the time critical activities, Members are requested to agree that it is appropriate for call-in to be waived.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Driving economic growth and ensuring Wirral is best placed to generate investment is vital to the future of the borough. The recommendations will ensure that the council is able to respond to immediate opportunities to generate investment and that the proposed property company will be supported by a clear offer that will maximise the potential of the company to deliver regeneration within the Borough.

2.0 OTHER OPTIONS CONSIDERED

The following options were considered:

2.1 Do Nothing

If no action is taken then the Wirral plan pledges relating to inward investment and business growth will not be achieved. In addition Cabinet authorised on 8.12.16 that officers should progress work on the range of actions outlined in the Report Summary.

2.2 Establish an in-house team

The council has limited resources with the experience and skills to work with investors. This option would not be able to be resourced in time to carry out the work needed to develop the strategic narrative and clear investment offer for the property company nor produce the value propositions required to stimulate the market at MIPIM.

2.3 Commission the activities

In the longer term Wirral is likely to wish to partner with others in the city region to undertake this type of work. However at this point in time there is not yet agreement as to how this work will be organised and delivered. In addition, this approach would not utilise the capacity of in-house staff nor provide the clear client management focus that is required to attract investment that requires a strong understanding of the Borough's economic opportunities and growth potential. This option would not deliver the activity that has been agreed within the required timescales.

2.4 Create a separate function to undertake the work

Work is progressing with regards to the proposal to establish a Property Company to bring forward site specific development activity and an options appraisal will be brought back to Cabinet in February 2017. Wirral is likely to wish to consider partnering with others in the city region on a longer term basis to undertake the investor promotion and development work but there is not yet agreement as to how this work will be organised and delivered. Given the importance of work taking place immediately to capitalise on events and investment opportunities occurring within the next six months, this option would not deliver the actions within the required timescales.

3.0 BACKGROUND INFORMATION

- 3.1 In December 2016 Wirral Cabinet agreed a report 'Delivering Wirral's Growth' which outlined proposals for creating a property company to drive forward investment, regeneration and secure increased income for the council, and officers were instructed to present an options appraisal to Cabinet in February 2017 (Cabinet 8.12.16 Min 66 refers).

3.2 The December report also identified a number of actions that needed to be progressed at once in order to capitalise on immediate opportunities for growth within the Borough and to ensure that the establishment of the proposed property company would be supported by a strong and coherent offer to investors. Officers were authorised to progress these actions in advance of the February Cabinet report on the Property Company.

3.3 Officers have carried out further work into scoping the activities that need to be progressed and the following objectives were identified:

- To market Wirral as a world class investment location for its key sectors by taking the existing collateral and research and turning this into a compelling case for investors in a way that is co-ordinated with the city region and local businesses / partners
- To use the above to develop the value propositions for MIPIM and to develop a strategically targeted outreach, marketing and lead-generation campaign
- To support Wirral to attract significant investors as a Joint Venture partner for the proposed Property Company
- To provide more effective and responsive client management to the opportunities available in Wirral and to co-ordinate and involve the relevant personnel within the council and key partners as appropriate.

3.4 The options put forward to deliver the activities outlined in the December report were interrogated in the light of these objectives and the timescales associated with them. This included the short term driver of MIPIM to raise the profile of the Council and the emerging opportunities within Birkenhead. Some of these activities are currently addressed to a degree by a range of officers, but that there is no current capacity to undertake the value proposition work, nor dedicated support to ensure a consistent interface with investors. If greater interest is to be generated then a clearer co-ordinated client management function is required. As a result it is proposed that the following approach is progressed, overseen by the Strategic Commissioner for Growth:

- work carried out in-house – utilising input from officers within the Strategic Hub, drawing on communication, marketing and investment expertise. However, as outlined above existing skills and capacity do not include in-depth investor development or client management work and greater focus is required in this area;
- a six-month collaboration agreement with a key city region partner already active in this area of work. Liverpool Vision has expertise in both marketing and investment and their officers have worked across the city region on events such as the International Festival for Business. Liverpool Vision is currently organising the city region's input to MIPIM 2017 and therefore the creation of collateral and marketing material to reflect Wirral's opportunities at this event presents value for money as well as access to a wider pool of skills and the flexibility to respond to investor requirements;
- the creation of a short term post to drive investor development activity and to ensure that the investment market is fully alerted to the property company proposal. In addition to bringing co-ordination to the work, this post is required in order to bring skills and in-depth knowledge of the investment market. There is

currently not sufficient capacity within the Council to undertake this role. This will ensure that the investor interface and subsequent lead generation activity is sufficiently progressed within the next few months in order to ensure that the most appropriate investor is secured in respect of the proposed property company and in addition that development opportunities are progressed at speed.

4.0 FINANCIAL IMPLICATIONS

A budget of up to £80,000 has been identified which will be resourced from the Transformation and Strategic Hub budgets, but this will need to be finalised once the temporary post has been evaluated by HR. The financial implications associated with the proposed Property Company will be considered as part of the options appraisal presented to Cabinet in February 2017.

5.0 LEGAL IMPLICATIONS

Any legal implications related to the proposed Property Development Company will be detailed in the report to be considered at Cabinet in February 2017.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

The Job Description for the Investor Development post will be evaluated through the Council's HR processes. In order to ensure that the activities to be undertaken by this post are taken forward as quickly as possible, further discussions will take place in parallel with Liverpool Vision as to the detail of their commission. This will include discussion with regards to additional resource to enable that organisation to carry out the full range of activities. If this is not possible then the council will carry out a recruitment process to secure the post on an interim consultancy basis. A review will be carried out to ascertain whether there is a need for the activities to continue after this period.

7.0 RELEVANT RISKS

If the recommendations outlined in the report are not implemented the scale of the investment that could be attracted to Wirral would not be realised. In addition the achievement of the Wirral Plan pledges to attract inward investment and support thriving businesses would be put at risk.

8.0 ENGAGEMENT/CONSULTATION

This report is consistent with the principles of Wirral's Growth Plan which provides the framework for securing investment and growth within the Borough and for delivering the Wirral Vision pledges. This has been developed through extensive consultation with partners and has also been informed by consultation which has taken place with a number of private sector partners and local businesses through Invest Wirral's Business Forum.

9.0 EQUALITY IMPLICATIONS

The potential impact has been reviewed with regard to equality and 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>

Equality impact assessments will need to be undertaken as part of the business case development process for the proposed Property Company.

REPORT AUTHOR: Sally Shah
Lead Commissioner – Place and Investment
telephone: (0151 691 8148)
email: sallyshah@wirral.gov.uk

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet: Delivering Wirral's Growth	8 th December 2016