

DECISION OF DIRECTOR: REGENERATION & PLACE**27TH FEBRUARY 2020****BUSINESS SUPPORT SERVICES: CONTRACT EXTENSION****REPORT SUMMARY**

The current contract for services for delivery of the Wirral Business Support Service is due to expire on 31.05.20. This report provides an update on contractual performance to date by supplier Wirral Chamber and outlines proposals for an extension of contract for the period 01.06.20 to 31.05.21.

A one-year extension is allowable under the contractual terms, subject to satisfactory performance and confirmation that the service remains in line with Council priorities. Contract performance is satisfactory and continuation of frontline support to Wirral businesses is key to delivery of Wirral's significant programme of growth.

The proposed contract value for the extension period is £389,139.

This matter affects all Wards within the Borough.

This is a key decision.

RECOMMENDATION/S

The Director of Regeneration & Place is recommended to:

1. Approve a 12-month extension of the current contract for services with Wirral Chamber in delivery of the Wirral Business Support Service
2. Conclude contractual finance and output schedules in line with those proposed in the report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Frontline business growth support for Wirral businesses is key to delivery of Wirral's significant programme of growth.
- 1.2 Satisfactory performance in delivery of the contract has been met by the supplier.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Closure of service: the supplier has met the conditions of contract deemed suitable for progression of the +1 extension namely, achievement of satisfactory performance and continued strategic alignment with Council requirements. Provision of frontline business growth support remains critical to the growth ambitions for the borough.
- 2.2 Full reconfiguration of proposed budget: annual savings were designed into the original contract specification, with a 5% budget reduction levied each year. Through implementation of a robust commercialisation plan, the supplier has successfully achieved the fine balance of driving income generation to deliver more for less, whilst maintaining an effective, universal service for Wirral businesses. The 5% reduction requirement is deemed achievable and recommended for continuation; the application of further savings would adversely impact on service reach and performance.
- 2.3 Full reconfiguration of proposed outputs: contractual targets were reviewed and revised at Year 2 end to maintain stretch in areas of overperformance. The selected outputs remain relevant to delivery of the services required to meet business priorities.

3.0 BACKGROUND INFORMATION

3.1 Current Contract

3.1.1 Delivery of effective business growth support is vital in supporting Wirral's economic growth outcome ambitions. In October 2016 Cabinet agreed to rationalise, redesign and outsource the in-house provision of frontline support for local businesses via a competitive commissioning process. A 3-year contract was subsequently awarded on 01.06.17 to Wirral Chamber, including a 5% annual price reduction and an option to extend for a further year subject to satisfactory performance.

3.1.2 Services

Frontline business support services procured through this contract are obligated to be open for free universal access; however, suppliers are entitled to commercialise specific elements of activity (eg: through a charging policy, sponsorship, or membership fees) to enable management of the annual contract price saving requirement. The activities covered by the contract are as follows:

Contracted Activities with Free Universal Access:

- Core business growth support
- Entrepreneurship/business start-up support
- Inward investor 'soft landing' offer

Contracted Activities in Scope for Commercialisation:

- Sector networks
- Workforce development
- Place shaping: Love Liscard

3.1.3 Outputs

Performance of the contract is measured against key performance indicators. Performance to the end of Quarter 3 2019/20 is outlined in Table 1 below; note that contractual targets were reviewed and revised at Year 2 end to maintain stretch in areas of overperformance. With a further 5 months of reported performance remaining in the current contract, delivery is on target to either achieve or overperform in all output areas except Liscard Shopping Centre footfall.

Table 1: Wirral Business Support Service Cumulative Contract Performance to December 2019

Ref	Output	Definition	Original Contract Target	Revised Target at end of Yr2	Cumulative Total Achieved to Date
1	Enterprises Engaged	Businesses newly registered to the service through any activity	1,302	1,434	1,333
2a	Businesses Supported <12 hrs	Enterprises Engaged in receipt of less than 12 hours but more than 2 hours active support within a contract year through any activity	600	784	704
2b	Businesses Assisted >12hrs	Enterprises Engaged in receipt of 12 or more hours active support within a contract year through any activity	90	108	95
3a	Potential Entrepreneurs supported to be enterprise ready	Individuals (16+) in receipt of less than 12 hours but more than 2 hours active support through Activity: Entrepreneurship Offer	252	352	382
3b	Potential Entrepreneurs assisted to be enterprise ready	Individuals (16+) in receipt of 12 or more hours active support through Activity: Entrepreneurship Offer	51	156	168
3c	New Enterprises Created: Direct	New enterprises created (new defined as enterprises trading less than 12 months prior to registration with the service) as a result of Activity: Entrepreneurship Offer	150	182	213
3d	New Enterprises Sustained	New enterprises registered as trading for more than 12 months	105	127	123
3e	New Enterprises Created: Indirect	New enterprises created/relocated in Wirral as result of the service through any activity other than Entrepreneurship Offer	45	50	68
4a	Jobs Created (FTE): Direct	New permanent, paid, full time equivalent jobs created as a direct result of support from Activity: Entrepreneurship Offer	102	102	79
4b	Jobs Created/Safeguarded (FTE): Indirect	Jobs created/safeguarded as a result of the service through any activity other than Entrepreneurship Offer	2,001	2,258	2,173
5	Business Sector Intelligence Reports	Business insight reports which provide headline trends by sector, size and location of business	12	12	10

6	Local Centre Improvements	Liscard Shopping Centre Footfall. Improvement Trend (Range 1-2%)	Improvement Trend	Improvement Trend	-1.88%
7	Income Targets	As per Commercialisation Plan	£105,400	£105,400	£84,819

3.1.4 Value

The budget for commissioning this service was agreed at £1,300,000 for the first 3 Years (01.06.17 to 31.05.20) with an additional £391,000 for the +1 facility (01.06.20 to 31.05.21). The contract value assumes a reduction levied at 5% per annum. As the specification for services effectively enabled the supplier to operate as the Council's frontline service for Wirral business engagement, the commission also included a flexible facility for any Council Service to buy suitably aligned additional activity/outputs up to a limit of a 20% increase in value. An OJEU notice was therefore posted for the maximum possible contract value of £2,029,200, based upon all possible future variations and extensions of the contract. The competitive tendering process resulted in further savings; full details of all available values are provided in Table 2. Suppliers were required to plan an element of budget ring-fencing into their pricing schedule for the delivery of Place Shaping Support – the resultant price schedule for Wirral Chamber identified £47,000 per annum for this activity.

Table 2: Commissioning and Contract Values

Period	Advertised Contract Value	Actual Contract Value	Advertised Max Uplift Allowable	Actual Max Uplift Allowable	Advertised Max Value Achievable	Actual Max Value Achievable
36mths	£1,300,000*	£1,294,535	£260,000	£258,907	£1,560,000	£1,553,442
+12mths	£391,000	£389,139	£78,200	£77,828	£469,200	£466,967
Totals	£1,691,000	£1,683,674	£338,200	£336,735	£2,029,200	£2,020,409

*Maximum budget Year One: £455,000

A robust 20% Uplift Request Process is established, whereby the relevant Commissioning Lead seeking additional service activity must secure appropriate authorisation for the additional budget to be assigned, agree the alignment of the specification for additional services with the current contract

and negotiate a Request For Quotation exercise with the supplier prior to processing of any variation. To date, no additional service requests have been applied to this contract.

3.2 Proposed Extension

3.2.1 Services

Services as outlined in section 3.1.2 of this report remain strategically aligned to the priorities of Wirral Council. All areas of delivery have seen activities producing outputs either on target to achieve or overperform, with the exception of Liscard Shopping Centre footfall. Town centres and high streets across the country are facing significant challenges and, since the development of this commission, local and national government has recognised greater intervention and new approaches are needed to stem decline. Wirral Council is progressing a significant programme of growth which recognises the potential of our town centre assets and aims to maximise the potential funding opportunities of regeneration programmes such as the Liverpool City Region Mayoral Town Centre Fund and the Government's Future High Street Fund. It is therefore proposed that Council officers work with Wirral Chamber to design a renewed programme of aligned activity to be undertaken within the Place Shaping Support service area prior to contracting for the extension period. Any resultant additional budget requirement in excess of the current ring-fenced allocation of £47,000 for this activity will be managed through the 20% Uplift Request Process. Delivery direction and performance of all other service areas will continue to be managed through the quarterly contract review process, with no significant amendments prior to contracting proposed.

3.2.2 Outputs

The minimum annual outputs proposed for the 01.06.20 to 31.05.21 Year 4 extension period are detailed in Table 3. These are in line with the Year 3 profile which was reviewed and revised at Year 2 end to maintain stretch in areas of overperformance. Cumulative output performance totals for the full 4-year contract period will be fixed at the 2020/21 Q1 Contract Review Meeting to

ensure that any areas of Year 3 under or over achievement is effectively managed and cumulative performance is maximised.

Table 3: Minimum Output Profile for Year 4

Ref	Output	Definition	Minimum Target +1 Extension Period
1	Enterprises Engaged	Businesses newly registered to the service through any activity	300
2a	Businesses Supported <12 hrs	Enterprises Engaged in receipt of less than 12 hours but more than 2 hours active support within a contract year through any activity	180
2b	Businesses Assisted >12hrs	Enterprises Engaged in receipt of 12 or more hours active support within a contract year through any activity	30
3a	Potential Entrepreneurs supported to be enterprise ready	Individuals (16+) in receipt of less than 12 hours but more than 2 hours active support through Activity: Entrepreneurship Offer	59
3b	Potential Entrepreneurs assisted to be enterprise ready	Individuals (16+) in receipt of 12 or more hours active support through Activity: Entrepreneurship Offer	12
3c	New Enterprises Created: Direct	New enterprises created (new defined as enterprises trading less than 12 months prior to registration with the service) as a result of Activity: Entrepreneurship Offer	35
3d	New Enterprises Sustained	New enterprises registered as trading for more than 12 months	25
3e	New Enterprises Created: Indirect	New enterprises created/relocated in Wirral as result of the service through any activity other than Entrepreneurship Offer	15
4a	Jobs Created (FTE): Direct	New permanent, paid, full time equivalent jobs created as a direct result of support from Activity: Entrepreneurship Offer	34
4b	Jobs Created/Safeguarded (FTE): Indirect	Jobs created/safeguarded as a result of the service through any activity other than Entrepreneurship Offer	667
5	Business Sector Intelligence Reports	Business insight reports which provide headline trends by sector, size and location of business	4
6	Local Centre Improvements	Liscard Shopping Centre Footfall. Improvement Trend (Range 1-2%)	Improvement Trend
7	Income Targets	Renewed Commercialisation Plan	£65,000

3.2.3 Value

The proposed contract value for the extension period 01.06.20 to 31.05.21 is £389,139, exclusive of any 20% Uplift Requests processed prior to contracting.

This price represents a 5% reduction on the previous contract year total of £409,620, in line with the contractual requirements.

4.0 FINANCIAL IMPLICATIONS

In line with the original Cabinet decision taken in October 2016 to rationalise, redesign and outsource the in-house provision of frontline support for local businesses, the Departmental Finance Business Partner has confirmed budget provision available up to the original designated value of £391,000 to support delivery of the service from 01.06.20 to 31.05.21. As detailed in Section 3.2.3 of this report, the proposed contract value for the extension period is £389,139, exclusive of any 20% Uplift Requests processed prior to contracting.

5.0 LEGAL IMPLICATIONS

Tender documents for the original award, including the terms and conditions of contract were produced with appropriate legal advice.

Terms of the original contract included provision for an extension as follows:
The Council may, in its absolute discretion, require the successful bidder to extend the contract for a further 12 Months, subject to satisfactory service performance and confirmation that the service remains in line with Council priorities.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

There are no additional resource implications as a result of this report.

7.0 RELEVANT RISKS

A full risk plan was considered during the process to rationalise, redesign and outsource the in-house provision of frontline support for local businesses via a competitive commissioning process. The supplier was required to provide a risk plan as part of their tender submission which forms part of their contract for services. Mitigations are in place. There are no additional risks identified as a result of this report.

8.0 ENGAGEMENT/CONSULTATION

There are no additional engagement/consultation requirements as a result of this report.

9.0 EQUALITY IMPLICATIONS

The potential impact of the commissioned service has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Growth Plan. There are no additional equality implications as a result of this report.

<https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2014-0>

10.0 Environment and Climate Implications

Wirral Chamber has fully embraced the Council's Climate Emergency Programme; the Energy & Environment Sector Network, delivered as part of the Wirral Business Support Services contract, is key to facilitating the exchange of best practise, information and knowledge transfer of this approach across the business community.

The content and/or recommendations contained within this report are expected to have no impact on emissions of greenhouse gasses.

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APPENDICES:

Background Papers

- Wirral Council Contract for Services Ref: NWCE-DN228068 Wirral Business Support Services

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Delegated Report Business Support Service	10.16
Executive Member Decision Business Support Service	12.10.16

Delegated Report Business Support Service Pensions Provision	11.16
Executive Officer Decision Business Support Service Pensions Provision	30.11.16
Delegated Report Business Support Service Award of Contract	01.17
Executive Officer Decision Business Support Service Award of Contract	26.01.17