

WORKING WIRRAL – ALLOCATION OF THE REMAINING UNALLOCATED WORKING NEIGHBOURHOODS FUND

1.0 EXECUTIVE SUMMARY

1.1 This report seeks approval to allocate the remaining Working Neighbourhoods Funding of £13,812,312 to the three priorities of Working Wirral to meet the objectives of the Council's Investment Strategy and to support Wirral people and businesses in a time of economic challenge.

2.0 BACKGROUND

2.1 Cabinet on 13 March 2008 (Item 26 Minute 553 refers) agreed that the Working Wirral resources (including Working Neighbourhoods Fund (WNF), Deprived Areas Fund and the European Social Fund's Complementary Strand) should be used to commission activity to deliver the Investment Strategy priorities of tackling worklessness, improving skills levels and increasing enterprise, business growth and investment. It was further agreed that the commissioning process would be overseen by Wirral's Economic Development and Skills (WEDS) Partnership in respect of employment and skills, with the Investment Strategy Board advising on the priorities for investment and business growth.

2.2 Wirral had been originally allocated £28,267,778 of WNF from 2008 – 2011 through the Area Based Grant. However, only the first year's allocation was confirmed by Government. This was due to an error that had been made in the original calculation on how the funding should be allocated nationally across the local authorities. The Government has now announced the outcome of the consultation that has taken place on their proposals for revising the allocation criteria and how it will be applied for 2009/10. The revised criteria will mean that Wirral will receive an increased allocation.

2009/10 Original allocation: £9,841,046 Confirmed revised allocation £9,879,492
2010/11 Original allocation: £10,238,708 Expected revised allocation £10,344,843

2.3 The Government announcement of 24th February 2009 confirmed the 2009-2010 allocation of WNF at £9,879,492.

2.4 The first round of Working Wirral commissioning identified that a maximum of £5 million would be available to allocate to activity to increase employment, skills levels and enterprise that can take place up to 31st March 2011. As reported to Cabinet on the 23 July (Item 11 Minute 149 refers) a further £1.67 million of resources were allocated to Wirral through the ESF Complementary Strand making a maximum of £6.67 million available for Round 1 activity.

2.5 Cabinet on 15 January (Item 11 Minute 334 refers) agreed that consultants should be appointed to further develop the Investment Framework to enable targeted commissioning of the Working Wirral programme to be taken forward to deliver activity against the three priority areas set out in the Investment Framework (Competitive Wirral People, Competitive Wirral Places and Competitive Wirral Businesses) and it also

considers the implications of the economic downturn. This work has now been completed and is reported below.

3.0 **PROPOSAL FOR THE ALLOCATION OF THE REMAINING WORKING NEIGHBOURHOODS FUND (WNF)**

3.1 In a report to Cabinet on March 19, 2009 I outlined the impacts of the current recession on Wirral's economy and set out some of the initial steps being taken by the Council to assist businesses affected by the current economic challenge.

3.2 Building upon this, Regeneris Consulting have looked in detail at how the remaining unallocated WNF, which totals £13,812,382, can be invested over the next two financial years (2009/10 and 2010/11) to support the objective of the Investment Strategy and assist Wirral's economy in a time of challenge and opportunity.

3.3 Regeneris Consulting have identified three key issues for the Council to consider. These are as follows:

- *Competitive Businesses*

The recession is impacting on Wirral businesses with a number of closures and unemployment rising. Many of the businesses that are continuing to trade are finding it difficult to access finance and retain quality staff. Working Wirral funding has already been approved to support a major grant scheme for local businesses and to buy in additional support from Business Link Wirral.

Regeneris Consulting advise that more support is needed not only to ensure the survival of businesses but also to allow them to move forward when the economy begins an upturn. They have identified the need for further businesses support, funding to support innovation, technology and investment in high speed broadband infrastructure as key areas for investment.

- *Competitive Places*

Whilst there is a focus on existing businesses in these challenging economic times, there also has to be investment made now for the future. Regeneris highlight that Wirral needs to invest in creating quality spaces and places where new businesses can be established and then thrive.

Investment is primarily required in creating well serviced sites with excellent access and the provision of enterprise centres where new companies can grow. Regeneris therefore propose that some of the Working Wirral funding should be used for gap funding of projects such as an Enterprise Centre, the assembly of land and the supply of power and digital technologies to those sites to encourage indigenous business investment and inward investment.

- *Competitive People*

Regeneris acknowledge that a number of partners are providing a number of initiatives to support local people into employment. In addition to this, they have identified two specific projects, the Construction Employment Integrator project and an apprenticeship project based on a model operating in Knowsley, which they believe will support local people from deprived communities in accessing and sustaining employment.

3.4 With these considerations in mind and recognising that significant investment has already been made in Priority 1 Competitive Wirral People, Regeneris recommend that the majority of the remaining unallocated WNF should be focussed on Priority 2 (Competitive Wirral Places) in order to create the conditions for growth by unlocking

major physical investments necessary to underpin the longer term developments of a local successful economy and on Priority 3 (Competitive Wirral Businesses) in order to boost competitiveness through support for businesses and entrepreneurs.

- 3.5 Regeneris have identified the following financial amounts by priority and key areas for investment as shown in the table below.

Recommended allocations of the remaining Working Neighbourhoods Funding and the key areas for investment

PRIORITY	PRIORITY 1 Competitive Wirral People	PRIORITY 2 Competitive Wirral Places	PRIORITY 3 Competitive Wirral Businesses
Financial Allocation:	£2.7m	£6.6m	£3.7m
Key Areas for investment with funding where known:	Construction Employment Integrator Apprenticeships	High spend Broadband infrastructure Power supply to key development Gap Funding / Land Assembly	Business Support Innovation, technology and research and development Promotion of Wirral businesses

- 3.6 Within these areas, there are some projects which have already been identified and the funding required is known. These projects are the Construction Employment Integrator and the Apprenticeship Programme. (A detailed report on the Integrator will come to cabinet in May and the Apprenticeship Programme is reported elsewhere on this agenda) .However, there are other areas where further work is required to identify the project and costs.

- 3.7 The investment of the remaining unallocated Working Neighbourhoods Fund will be insufficient to meet all the work required to meet the objectives of the Investment Strategy and Officers will continue to work strenuously with external funding partners (such as the North West Development Agency, Homes and Communities Agency and others) to bring in the investment required to support Wirral people and businesses.

- 3.8 The areas for investment of the remaining unallocated WNF were raised in a presentation on Working Wirral given to the Regeneration and Planning Strategy Overview and Scrutiny Committee on March 18, 2009 (Minute 35 refers) and that Committee supported investment in these areas.

4.0 WORKING WIRRAL - COMMISSIONING

Employer Engagement

- 4.1 On the 10th December 2008 (Minute 305 refers), Cabinet approved Working Wirral money to enable Wirral Council to match fund European Regional Development Fund (ERDF) resources for employer engagement activity. The amount requested was £441,324 to be matched with ERDF for a total project cost £882,647. Due to a number of problems with a Merseyside composite bid for the ERDF resources from measure 4.2 of the North West Operational Programme, there has been a delay receiving approval for

the application. This is down to a number of activities in the composite application that have been designated ineligible for ERDF. However, the employer engagement element is still an eligible activity and it is envisaged that the issues will be resolved with the North West Development Agency (NWDA) as soon as possible. However, certain employer engagement activities are dependent on this project, including the use business advocates, to be employed through Business Link North West, to support the BIG Business Grant process that was approved by Cabinet on 19th March (Minute 393 -1).

- 4.2 Given the importance of these activities at a time of economic downturn Cabinet are asked to approve an extra £400,000 of Working Wirral money to allow Officers to implement the Employer Engagement activities identified as part of the ERDF bid, including engaging Wirral businesses to access SME grant support. This approval is based on the understanding that the money will be re-invested in the Working Wirral programme if the Wirral element of the 4.2 Employer Engagement ERDF bid is approved by the North West Development Agency.

Apprenticeship Programme

- 4.3 The Wirral apprenticeship programme, which is reported elsewhere on this agenda requires a total £1.7m of Working Wirral support over the next two years.

Business Support

- 4.4 On the 19th March, Cabinet approved Working Wirral funding for the BIG Business Grant programme (Minute 393-1) which includes advice on financial planning issues as part of the support programme to businesses affected by the current recession. Approved funding for this programme includes £800,000 per year from Working Wirral and a £50,000 allocation as part of the 2009/10 budget. Cabinet are asked to approve an amendment to the current contract for Enterprise Solutions, who deliver the Wirralbiz New Business Start programme, to enable them to facilitate the financial planning support. It will not require any additional resource, as Working Wirral money has already been approved. This arrangement will only be in place up to the end of June 2009 in line with the contract for new business starts. This financial planning element could also feature in any new contract for future business support services.

5.0 FINANCIAL IMPLICATIONS

- 5.1 Wirral has been allocated £28.4 million of Working Neighbourhoods Fund resources (subject to confirmation for 2010/11). The allocation is paid through the LAA's Area Based Grant.
- 5.2 The sums of Working Wirral money indicated within this report are dependant on receipt of the level of Working Neighbourhood Funding indicated for 2010/11

6.0 STAFFING IMPLICATIONS

- 6.1 There are none arising from this report.

7.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 7.1 The implementation of Working Wirral will reflect the Council's commitment to equal opportunities.

8.0 COMMUNITY SAFETY IMPLICATIONS

8.1 Projects proposed to be funded through Working Wirral are likely to have positive community safety benefits.

9.0 LOCAL AGENDA 21 IMPLICATIONS

9.1 There are no specific implications arising directly from this report.

10.0 PLANNING IMPLICATIONS

10.1 There are none arising from this report.

11.0 ANTI-POVERTY IMPLICATIONS

11.1 Working Wirral will have significant future benefits for this area.

12.0 SOCIAL INCLUSION IMPLICATIONS

12.1 Working Wirral will have significant future benefits for this area.

13.0 LOCAL MEMBER SUPPORT IMPLICATIONS

13.1 This report will be of interest to all Members of the Council.

14.0 BACKGROUND PAPERS

14.1 The Working Neighbourhoods Fund Statement – DCLG and DWP Paper November 2007

Sub National Review of Economic Development – Report to Cabinet 6.09.07

Indices of Multiple Deprivation 2007 – DCLG December 2007

Area Based Grant 2008/09 to 2010/11 – Report to Cabinet 10.01.08

Working Neighbourhoods Fund – Report to Cabinet 23.01.08

European Social Fund Complementary Strand – Report to Cabinet 07.02.08

Working Neighbourhoods Fund – Report to Cabinet 13.03.08

Working Neighbourhoods Fund – Report to Cabinet 09.07.08

European Social Fund Complementary Strand – Report to Cabinet 23.07.08

Working Neighbourhoods Fund – Report to Cabinet 04.09.08

Working Neighbourhoods Fund – Report to Cabinet 16.10.08

Working Neighbourhoods Fund – Report to Cabinet 10.12.08

Working Neighbourhoods Fund – Report to Cabinet 15.01.09

Working Neighbourhoods Fund – Report to Cabinet 19.03.09

15.0 RECOMMENDATIONS

15.1 That the proposal to allocate the remaining Working Neighbourhood Funding as set out in this report be approved, including the following commissioned activities:

(i) That £400,000 of Working Wirral money is made available to support the allocation previously approved for drawing down ERDF measure 4.2 monies from the North West Operational Programme. This additional resource will be re-invested in the Working Wirral programme if the Merseyside bid is approved.

(ii) The Wirral apprenticeship programme, reported to Cabinet in a separate agenda item, is allocated a total of £1.7m of Working Wirral support over the next two years.

- (iii) Cabinet are also asked to approve an amendment to the current contract for the Wirralbiz New Business Start programme, to enable the contractor to provide financial planning advice as part of the BIG Business support programme that has already approved been by Cabinet. This arrangement will run until the end of June.

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