

**WIRRAL LOCAL STRATEGIC PARTNERSHIP EXECUTIVE BOARD**

**WEDNESDAY 1<sup>st</sup> APRIL 2009**

**REPORT OF DEPUTY CHIEF EXECUTIVE /DIRECTOR OF CORPORATE SERVICES**

**WORKING WIRRAL - WORKING NEIGHBOURHOODS FUND**

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**1.0 EXECUTIVE SUMMARY**

1.1 This report provides members of the LAA Programme Board with a progress update on the first round of Working Wirral commissioning.

1.2 LAA Programme Board members are requested to:

Endorse the recommendations made by the Wirral Economic Development and Skills Partnership (WEDS) and the Investment Board to allocate Working Wirral resources to the following organisations:

- Wirral Mind ABC Together Project to a maximum of £752,783 for the period of 2009-2011
- Remploy- Linking people to Employment project to a maximum of £806,308 for the period 2009-2011
- Cheshire & Wirral NHS Foundation Trust – Improving Health project to maximum of 163,140 for the period 2009-2011
- Wirral Society of the Blind and Partially Sighted – Training and Development project to a maximum of £37,253 for the period 2009-2011
- Wirral Metropolitan College – First Steps to Employment project to a maximum of £130,000 for the period 2009-2011
- International Links Project up to a maximum of £360,000 for the period 2009-2011
- Support for Small Medium Sized Enterprises project up to a maximum of £1,600,000 for the period 2009-2011
- Infrastructure studies up to a maximum of £50,000 for the period 2009-2011.
- Business Start Programme for Wirral project is funded from April 2009 to the end of March 2011 up to a maximum of £2,086,000 and this is approved in principle, allowing the funding discussions with the NWDA to continue. Subject to detailed contracting and further detailed reports.

1.3 Note that these recommendations have been reported to the Council's Cabinet for approval, with the exception that the Business Start Programme which will be reported to Cabinet on 23<sup>rd</sup> April, as the accountable body for the Working Wirral resources;

1.4 Note that Government has announced the result of its consultation into the criteria for allocating Working Neighbourhoods Funds (WNF) and that £9,879,492 is confirmed as Wirral's allocation for 2009/10 and confirmation for 2010/11 is still awaited.

**2.0 BACKGROUND**

2.1 The LAA Programme Board on the 13<sup>th</sup> May endorsed the approach that the Working Wirral resources (including WNF, Deprived Areas Fund and the European Social Fund's

(ESF) 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.

- 2.2 The first round of Working Wirral commissioning identified that £5 million WNF would be available to allocate to activity that addressed Priority 1 of the Investment Framework: Competitive Wirral People and that activity could take place up to 31<sup>st</sup> March 2011. A further £1.67 million has since been made available through ESF Complementary Strand funding for this priority, making a total of £6.67 million.
- 2.3 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

- 2.4 The Government announcement of 24<sup>th</sup> February 2009 confirmed the 2009-2010 allocation of WNF at £9,879,492.

### **3.0 WORKING WIRRAL ROUND 1 COMMISSIONING UPDATE**

- 3.1 The WEDS Partnership meetings on the 20<sup>th</sup> January 2009 and 18<sup>th</sup> March 2009 agreed the recommendations from the WEDS Commissioning Group that the following projects should be recommended for approval, since they met the aims and outcomes outlined in the commissioning brief:

#### **3.2 WIRRAL MIND MENTAL HEALTH – project**

The project employs people with chronic mental health issues on a 1-year fixed-term contract to work at a social enterprise cardboard recycling plant. Participants will gain skills, experience and qualifications to move into further employment opportunities. The project works with people who have been economically inactive for long periods, and have no/low qualifications as a result of chronic mental health issues.

- 3.3 The project will engage 25 participants per year, a total of 50 over the life of the project. It is expected that the retention rate will be 80%, retaining 20 participants per year, all of whom will progress into employment – a total of 40 employment outputs over the life of the project.
- 3.4 It is recommended by the WEDS Partnership that this project is funded on a pilot basis from April 2009 to the end of March 2011 up to a maximum of £752,783 subject to detailed contracting.

#### **3.5 REMPLOY – Linking Wirral People into Employment**

The proposal aims to assist economically inactive residents, primarily those suffering from learning, mental health and/or physical disabilities and claiming incapacity benefit, to progress along the continuum to access employment opportunities. The project uses a

consortium approach including Remploy, The Social Partnership, Voluntary and Community Action Wirral, Scientiam, CPL Training and Liver Lifts.

- 3.6 The project anticipates that over the two years of the programme, 550 participants will gain employment within 6 months of the intervention, and 450 participants will gain NVQ Level 2 or above.
- 3.7 It is proposed by the WEDS Partnership that this project is funded from April 2009 to the end of March 2011 up to a maximum of £806,308 subject to detailed contracting.

3.8 **CHESHIRE & WIRRAL NHS FOUNDATION HOSPITAL TRUST – Improving Health Conditions**

The project will ensure that people with severe and enduring mental health conditions are provided with improved health outcomes and improved employment opportunities. Job coaches will work according to an evidence-based model of vocation rehabilitation called IPS, specifically designed for people with severe mental illness, with 3 elements: it places the patient and trains them on the job; it actively includes the employer in the rehabilitation process; and it provides ongoing unlimited in-work support. The job coaches will also coach professional staff within the Community Mental Health Teams (CHMT) to improve the response to employment issues for service users within the teams.

- 3.9 The project is match funded by the Richmond Fellowship who will provide 48% of the total funding, funding two of the four Job coach posts. The project will enrol 200 participants onto the programme over the two years. It is anticipated that 50-55 will progress into paid employment, all of whom will receive in-work support, and that 35-40 participants will progress into education and employment-enhancing activities. Additionally, 55 professional staff within CMHTs will be coached to improve the response to employment issues for service users of the teams.
- 3.10 It is recommended by the WEDS Partnership that this project is funded from April 2009 to the end of March 2011 up to a maximum of £163,140 subject to detailed contracting.
- 3.11 **WIRRAL SOCIETY OF THE BLIND AND PARTIALLY SIGHTED – Training and Development project**
- 3.12 The project aims to provide and enhance training and employment opportunities for blind and partially sighted people in Wirral. The project will provide specialist support tutors to deliver ICT training courses leading to IT qualifications within a purpose built training unit, and will provide post training support through referrals to specialist advisers in career guidance and self employment.
- 3.13 The project anticipates that at least 12 participants will achieve ITQ levels one and two, and at least four participants will achieve ITQ level 3. At least four participants will progress onto further training, education or employment, with the potential to progress towards becoming an IT tutor with Wirral Met College.
- 3.14 It is proposed by the WEDS Partnership that this project is funded from April 2009 to the end of March 2011 up to a maximum of £37,253 subject to detailed contracting.

**3.15 WIRRAL METROPOLITAN COLLEGE – First Steps to Employment**

This project aims to add value to mainstream training provision by incorporating sector specific skills into entry level training. It is expected to meet an identified sector skills shortage whilst providing a clear progression route to Level 2 qualifications and realistic labour market objectives. Whilst this project will specifically seek to target people from Wirral's 53 most deprived Super Output Areas (SOAs), access will also be available to other Wirral residents, particularly those who are workless, lone parents, people with low/no qualifications, women returners and BRM individuals.

3.16 It is recommended by the WEDS Partnership that this project is funded from April 2009 to the end of March 2011 up to a maximum of £130,000 subject to detailed contracting.

**4.0 BUSINESS START PROGRAMME**

4.1 The North West Development Agency [NWDA] is seeking to introduce a new regional business start programme from April 1, 2009.

4.2 The new programme will have four stages which are set out below:-

Stage One – Idea

Initial contact by client, needs assessed. Adviser session booked if needed.

Stage Two – Planning

Provide information packs based on initial assessment – follow-up within two weeks.

Stage Three – Development

Adviser decides on whether further contact needed – if additional support required Training Needs Analysis prepared – assist with preparation of Business Plan.

Stage Four – Start-up support / aftercare

a) Start-up support: contact of 3, 6 and 12 months with latter review deciding on the level of future support.

b) Aftercare: selected businesses only for a maximum of two further years subject to growth aspirations.

4.3 The NWDA has confirmed funding of £403,000 for the financial year 2009/10 and indicative funding of the same amount for 2010/1 and 2011/12.

4.4 The Agency is now seeking confirmation of co-funding from Councils. Co-funding is the money which will compliment the Agency's investment and provide additional local services [such as grants and business coaches] to support the main programme.

4.5 However, there is a difficulty. The new programme is still subject to considerable discussions between North West Councils and the NWDA and between the providers of the business start services and the Agency. It will take some time for all these issues to

be addressed but in the meantime there is a need to secure co-funding to enable the new programme to be discussed further with the Agency.

- 4.6 Certain issues are very clear. For example the Agency has said that there will be no funding from them for Business Coaches. However, these Coaches are very important to stimulating enterprise in deprived communities and, therefore, they will have to be funded from the co-funding. Similarly, the Agency have said that they will not provide any funding for business grants, but again from the present business start programme operating in Wirral, it is known that grants are important. Therefore, if these are to continue they will have to be funded from the co-funding.
- 4.7 However, other issues are not clear. For example, the four stage process is a basic approach to business starts and until it commences operation it is not known whether it will fully achieve its purpose or whether further development of the service will be required to meet local priorities for business start in Wirral.
- 4.8 In these circumstances it is not possible at this stage to evaluate all aspects of the new business start programme.
- 4.9 Therefore, it is proposed that an indicative amount of Working Wirral funding to support the new business start programme is agreed to enable the funding and legal discussions with the NWDA to continue and that a future report is brought back to the Commissioning Group and WEDS Partnership when the details are known.
- 4.10 The indicative amount required for 2009/10 and 2010/11 from Working Wirral funding based upon the creation of 528 new businesses in Wirral is £2,086,000. This amount, based upon the number of proposed business starts comprises of the following elements:-

<b>Element</b>	<b>Amount</b>	<b>Comment</b>
Wirral Community Business Coach Programme	£420,000	NWDA will not provide funding for this but it is an important element in promoting enterprise in deprived communities.
Business Start-up Grants	£700,000	NWDA will not fund grants as part of the new programme but they are important in enabling businesses to start in the first few months.
New businesses start network and sustainability support	£350,000	Not funded by the NWDA but important to help sustain businesses.
Support and additions to the core programme	£616,000	This sum may or may not be required dependent upon the way in which the four stages of the process operate in practice.
<b>Total required:</b>	<b>£2,086,000</b>	

- 4.11 It is proposed by the WEDS Commissioning Group that this project is funded from April 2009 to the end of March 2011 up to a maximum of £2,086,000 and this is approved in principle, allowing the funding discussions with the NWDA to continue. However, the final amount of WNF which will be required will be the subject of future reports and detailed contracting.

## 5.0 WORKING WIRRAL FUNDING

5.1 Subject to the agreement of the recommendations in this report, allocations progressed through Working Wirral Round 1 commissioning to date are as follows:

<b>Commissioned Projects</b>	<b>£</b>
WirralBiz	1,069,000
Connexions – Nextstep Plus	347,258
Involve NW – Reachout and Reachout Plus	1,685,079
Arch Initiatives – Mentoring into Employment	179,896
Wirral PCT – Working 4 Health	561,592
Wirral Change – BRM Employment Outreach	540,883
Advocacy in Wirral – Wirral Bridges	49,246
Wirral Learning Consortium – Supporting Wirral	1,104,998
Enterprise Solutions - Extension to WirralBiz	262,500
Wirral Mind – ABC Together	752,783
Remploy – Linking Wirral People to Employment	806,308
Cheshire & Wirral NHS Foundation Trust – Improving Health conditions Project	163,140
Wirral Society of the Blind and Partially Sighted – Training and Development	37,253
Wirral Metropolitan College – First Steps to Employment	130,000
Business Start Programme for Wirral	2,086,000
<b>Total committed to date (subject to detailed contracting)</b>	<b>9,775,936</b>

- 5.2 If the recommendations brought to this meeting are approved, the total funding committed will be £9,775,936. This is an over commitment on the £6.67 million available for Round 1 commissioning. Funding for these activities is available following the confirmation by Government of Wirral's WNF allocation for 2009/10.
- 5.3 The projects considered by the WEDS Commissioning group and recommended for approval by the WEDS Partnership have all been assessed to meet the criteria set out in the Round 1 Commissioning brief and will therefore contribute to meeting the outcomes of Wirral's Investment Strategy. It is therefore proposed that these projects be progressed utilising the Working Neighbourhoods Funding allocation for 2009/10. These resources would then be included within the proposed resource allocation for Priority 1 which will be brought forward as part of the Investment Framework proposals and reported to Cabinet in April 2009.
- 5.4 Wirral Council's Cabinet on 15 January 2009 agreed the appointment of consultants to develop the Investment Framework particularly in the light of the economic downturn. This work will be completed by the end of March 2009 and the outcome of it reported to future meetings of the LAA Performance Board, Cabinet and WEDS.

## 6.0 INVESTMENT STRATEGY BOARD

6.1 The Investment Strategy Board in 7th November 2008 and January 2009 identified a number of areas of activity that would support the Investment Strategy outcomes and should therefore be progressed through Working Wirral funding.

**6.2 International Links**

6.3 The International Links Project will include the following activities:

- the development of economic and cultural relations with China, including the engagement of an appropriate consultant on a retainer basis (approx £30,000 per year); The skills and expertise brought by such a consultancy will support both the development of Projects outlined in the Cabinet report to members on 27<sup>th</sup> November 2008 and help support trade initiatives between Wirral and the Chinese market. Some Wirral businesses are already trading in that market and the growing Chinese market offers potential opportunities for other businesses in Wirral. The consultancy would also be utilised to deliver seminars on potential businesses links and general advice on taking forward businesses opportunities and protocols, in addition to also supporting/advising Council officers on potential Inward Investment opportunities
- a post within the Corporate Services Department at PO10 (£34,976-£37,555) to co-ordinate activity on all matters relating to International Links. The post will support local businesses to understand and exploit new overseas trade and investment opportunities. The post would be funded from Working Wirral funds until 31<sup>st</sup> March 2011;
- To support, identify and develop future project activities up to a maximum of £100,000 per year in line with the proposals that were reported to Cabinet in January 2009 (Item 11 Minute 334 refers).

6.4 The overall cost of the project will be £180,000 per annum.

6.5 It is recommended by the Investment Strategy Board that this project is funded up to a maximum of £360,000 from April 2009 to the end of March 2011, subject to detailed contracting

**6.6 Support for Businesses**

Supporting Small and Medium Sized Enterprises in Wirral is a key objective of the Investment strategy, the Enterprise Strategy and is a key priority for the Invest Wirral team. There are in excess of 3,000 businesses in Wirral that are not registered for VAT and it is envisaged that through growing those businesses, Wirral can increase the number of employment opportunities available to those residents.

6.7 Equally, given the current economic conditions, it is critical that support is available to businesses to enable their sustainability in what is an increasingly difficult time for them. The programme of support will be through a mixture of capital grant and also access to consultancy support. Capital Grant will be offered to Wirral businesses that have viable project proposals to support the sustainability or growth of the company. Grants will be subject to a robust health check and dependant on a business plan being in place.

6.8 The Consultancy support will assist with financial planning and developing a relevant business plan for current market conditions and businesses will receive up to 3 days consultancy free of charge. The total Working Wirral allocation will be £800,000 per annum over a two year period (up to 31<sup>st</sup> March 2011) and it will be used to provide grant and consultancy support. The project will work in tandem with the ERDF 4.2 project that Cabinet agreed for Working Wirral funding in December (Item 18 Minute 305 refers) as match funding for the European resource. The ERDF 4.2 project will provide support for micro businesses via three Business Advocate posts which will be provided by a third

party. The activity will be fully in line with the support services available regionally and the principles of Business Support Simplification Programme. The project will be marketed using the Wirral Business Forum.

- 6.9 It is recommended by the Investment Strategy Board that this project is funded up to a maximum of £1,600,000 from April 2009 to the end of March 2011, subject to detailed contracting

## **7.0 INFRASTRUCTURE SUPPORT**

- 7.1 Addressing infrastructure constraints has been a key focus for Liverpool City Region partners for a number of years with several key employment sites suffering from significant power supply issues. Additionally, digital access is also an issue for many areas across the North West Region. Following discussion at the Investment Board in January 2009, investment in infrastructure in Wirral was identified as an area that needed specific focus over the next twelve months, particularly given the difficult economic climate. In order to understand Wirral's needs, Officers are exploring the possibility of undertaking work on identifying the issues and the exact infrastructure requirements that the Borough has in order to promote itself as a key investor location for when the economy starts to grow.

- 7.2 The Investment Board recommended the use of up to £50,000 of the Working Wirral allocation to further investigate infrastructure issues in relation to power and digital access.

## **8.0 RECOMMENDATIONS**

Members of the Executive Board are requested to:

- 8.1 Note the cabinet decision of 19<sup>th</sup> March to agree funding of the following projects with the exception of the Business Start Programme which will be reported to cabinet on 23<sup>rd</sup> April, as the accountable body for the Working Wirral resources;
- Wirral Mind ABC Together Project to a maximum of £752,783 for the period of 2009-2011
  - Remploy- Linking people to Employment project to a maximum of £806,308 for the period 2009-2011
  - Cheshire & Wirral NHS Foundation Trust – Improving Health project to maximum of 163,140 for the period 2009-2011
  - Wirral Society of the Blind and Partially Sighted – Training and Development project to a maximum of £37,253 for the period 2009-2011
  - Wirral Metropolitan College – First Steps to Employment project to a maximum of £130,000 for the period 2009-2011
  - International Links Project up to a maximum of £360,000 for the period 2009-2011
  - Support for Small Medium Sized Enterprises project up to a maximum of £1,600,000 for the period 2009-2011
  - Infrastructure studies up to a maximum of £50,000 for the period 2009-2011.
  - Business Start Programme for Wirral project is funded from April 2009 to the end of March 2011 up to a maximum of £2,086,000 and this is approved in principle, allowing the funding discussions with the NWDA to continue. Subject to detailed contracting and further detailed reports.



- 8.2 Note that Government has announced the result of its consultation into the criteria for allocating Working Neighbourhoods Funds (WNF) and that £9,879,492 is confirmed as Wirral's allocation for 2009/10 and confirmation for 2010/11 is still awaited.

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