



**ELSC PPB – Supplementary Agenda
Items 5C – Business Planning**

**Monday, 24 March 2014 at 6.30 p.m.
Select Security Stadium**

A handwritten signature in black ink that reads 'David W R'.

Chief Executive

BOARD MEMBERSHIP

Councillor Susan Edge (Chairman)	Labour
Councillor Carol Plumpton Walsh (Vice-Chairman)	Labour
Councillor Lauren Cassidy	Labour
Councillor Harry Howard	Labour
Councillor Peter Lloyd Jones	Labour
Councillor Geoffrey Logan	Labour
Councillor Andrew MacManus	Labour
Councillor Stan Parker	Labour
Councillor Joe Roberts	Labour
Councillor Christopher Rowe	Liberal Democrat
Councillor Geoff Zygadlo	Labour

*Please contact Michelle Simpson on 0151 511 8708 or e-mail
michelle.simpson@halton.gov.uk for further information.
The next meeting of the Board is on Date Not Specified*

**ITEMS TO BE DEALT WITH
IN THE PRESENCE OF THE PRESS AND PUBLIC**

Part I

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In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.

**Employment Learning and Skills and Community Policy and
Performance Board
Business Planning 2014 – 17**

LEP Single Local Growth Plan and EU Investment Plan

Emerging Priorities

- 1.0** Work together with the Liverpool Enterprise Partnership (LEP) to develop the single Local Growth plan
- 2.0** Work with the LEP to develop the EU Investment Plan for the Liverpool City Region.
- 3.0** Combined Authority Proposals for the Liverpool City region

1.0 LEP Single Local Growth Plan

1.1 Context

The Government's response to Lord Heseltine's report on increasing growth has been to develop 'Growth Deals' with every Local Enterprise Partnerships (LEPs). Currently known as 'Single Local Growth Plans' (SLGPs), LEPs are being tasked with identifying growth priorities, which will feed into investment plans to take effect from 15/16. The SLGP forms the basis of the City Region's bids to the Government's £2bn-a-year "single pot" of funds. The fund runs for five years from 2015/16. The Economy, Enterprise and Property Department have been working with the Liverpool City Region LEP to prepare the Plan.

- 1.2 A draft of the Liverpool City Region Local Growth Plan was submitted to Government before Christmas. Feedback and further consultation with a wide and diverse range of City Region Partners, and facilitated by the LEP, will take place early in 2014 and the final Local Growth Plan and Strategic Economic Plan will be submitted in March 2014.

1.2 Emerging Priorities

The Liverpool City Region Growth Plan & Strategic Economic Plan sets out the strategic, over-arching long term Growth Plan and ambitions of the Liverpool City Region. It builds on extensive work already undertaken in the City Region and will be complemented by the European Investment Plan for the 2014 – 2020 European Programming Period as well as a Strategic Economic Plan (SEP) which details key investments that are necessary for growth to occur.

Government has committed to a c. £2bn per annum Single Local Growth Fund (SLGF) from 2015/16 that will include housing, skills and transport resources that can be invested locally to maximise growth potential. Government will test the Growth Plan and Strategic Economic Plan of individual LEP areas with resources allocated to local areas based on the quality of their submission. This Plan therefore is of critical importance to the prosperity of our City Region.

The Strategy focuses on three areas:-

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- Business growth opportunities as we aim to **develop a more competitive business base**. As a City Region we need to close the deficit of 18,500 businesses that the City Region suffers from when compared to the rest of the nation. We need to renew focus on encouraging new-start businesses as well as assisting our established businesses to grow. This will focus not just on a limited selection of sectors but on all sectors – encouraging businesses of all types to grasp economic opportunities and create jobs.
- The strategy also focuses on market facing or asset based opportunities, which will allow us to:
 - build on our international connectivity and brand-recognition we will invest in being a **globally connected City Region** further enhancing the SuperPORT concept, our visitor economy assets, our ability to be a centre for trade and export led growth, and enhancing our attractiveness as an inward investment location.
 - maximise our economic growth opportunity and be a **centre for low carbon growth** by developing our energy potential and capitalising on our unique asset base.
 - Build on our status as a **hub for innovation, science and creativity** to ensure the acceleration of benefits. To exploit our science and innovation strengths at Daresbury, major companies, and in our Universities but by also developing the latent talent of our people in sectors such as advanced manufacturing and digital technology
- In addition investment will be needed in the necessary enabling infrastructure and environment so that growth can be achieved and benefitted from by all. In particular by investing in major employment sites to create growth but also in the regeneration of our communities such as through town centre regeneration and improvements to the City Region housing offer as well as through using transport as a stimulant to growth. The Plan also targeting our efforts on those who need re-engaging with the labour market, through up-skilling our workforce and through seeking flexibilities in delivery that support our local economy.

Only through taking such a broad 'whole systems' approach to impacting on our the economy can the City Region start to address the 90,000 jobs short-fall from which it currently suffers.

2.0 European Structural Funds

2.1 Context

Alongside the SLGP each LEP has been given the responsibility for drawing up plans for how the European Structural Funds will be allocated in the 2014-20 programme period. It is expected that this work will continue into the first half of the financial year 2014/15.

In October 2013 the (Liverpool City Region) submitted a draft EU Investment Plan to Government that sets out how they intend to spend their allocation of EU funding which equates to approximately £185m over the seven year period 2014- 2020. After feedback has been received, the LEP will consult

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with partners before a final version of the Investment Strategy will be submitted to Government in January 2014.

Within the LCR European funding budget, Halton has an indicative allocation of approximately £17m. This is because Government allocated resources based on the regional geography of 2006 (when Halton was classed as part of Cheshire) and apportioned resources for Halton accordingly. Given that the Liverpool LEP will be required to distinguish between the resources set aside for Halton and the rest of the City Region, it is logical to develop a European Funding Action Plan for the Borough.

EU regulations require all EU funding to be spent on 11 thematic objectives, and the LCR priorities are focussed around these. Following discussion with partners and the LEP Post 2013 Sub-Group, it was agreed that proposals which cover the thematic objectives would be taken forward through five Portfolios. This will enable the LCR to present a programme that meets both European Commission (EC) and UK requirements in a way that reflects local priorities.

The five portfolios are:

- Blue/Green Economy
- Business Economy
- Innovation Economy
- Inclusive Economy
- Place and Connectivity

The priority of these Portfolios will be to deliver the following across the LCR:

- Creation of 90,000 new jobs
- Creation of 18,500 new businesses
- Get 49,000 residents into employment

2.2 Emerging Priorities

Halton has mirrored the five Portfolios in developing its own set of projects under the same themes. Portfolio leads from Halton Borough Council have been identified and draft Portfolios produced which identify key projects to be delivered via the Programme. Drafts have been shared with LCR leads for each Portfolio area.

Halton Priority 1: - Blue Green economy

To develop significant growth and value by exploiting the commercial opportunities for low carbon and the marine economy associated with the port, river, off shore renewables, hydrogen resources, specifically for decentralised low carbon energy, transport and resource efficiency.

Halton Priority 2:- Business Economy

To tackle head on the economic gap between LCR and England by engaging with the business sector to create 90,000 jobs and 18,500 businesses, harnessing the burgeoning entrepreneurial spirit, openness and historic capability in international trade through collaboration, skills development,

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clusters and social enterprise. It will also support activities to develop and grow existing business in Halton including links to national initiatives such as UKTI and MAS.

Halton Priority 3:- Innovation Economy

To support the translation of our inherent strengths in Big Science, Life Sciences & Bio-Medical, High Value Manufacturing, Green and Blue economy technologies, and Creative & Digital into opportunities for innovation, economic growth and employment within our key knowledge hungry sectors.

Halton Priority 4:- Inclusive Economy

To apply ground breaking innovative approaches to entrepreneurship, skills, social innovation, and local employment to overcome exclusion and capitalise on the latent strength and capacity within Halton's population and communities.

Halton priority 5:- Place and Connectivity

To build on the unique strength of LCR's vibrant historic culture, natural assets, and geographic location by focusing investment on economic infrastructure – such as digital, power, transport, sites & premises - that will support economic growth in strategic locations across the city region which are supported by the private sector. Activity in this Portfolio will complement and enhance activities within the other four Portfolios.

Work is currently ongoing to further develop projects in consultation with partners. This will include identifying match funding and where appropriate delivery partners. The projects identified under each theme for consultation are listed below:-

Blue/Green Economy

Project 1: *Heat Networks* – decentralised energy network East Runcorn

Project 2: *Retrofit* – development of a domestic and industrial energy efficiency programme

Project 3: *Hydrogen Fuel Network* – an infrastructure project that is part of a wider plan to develop Ultra Low Carbon transport capability in the City Region

Project 4: *Green Networks* – helping businesses to take up micro technologies/renewable technologies

Business Economy

Project 1: *Winning new business* via Government manufacturing advisory service networks, such as MAS and UKTI; develop new market/investment opportunities; support to increase sales; business to business networks

Project 2: *Business start-ups support and Entrepreneurial Culture programmes*

Project 3: *Business Support and Investment Readiness*

Project 4: *Skills Development* – support to develop current and future workforce via higher level apprenticeships and higher level skills/qualifications

Innovative Economy

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This Portfolio currently focuses on further developing the Sci-Tech Daresbury site to enable more business start-ups and expansion; to support the continued commercialisation of science; to deliver an enhanced business support offer to Campus companies to support growth, including continued access to venture capital, loans and grants.

Inclusive Economy

Project 1: Tackling Youth Unemployment – NEET (Not in Employment, Education, Training) 16-24 year olds

Project 2: Helping adults back into work 24+

Project 3: Skills Development: 'Knowledge Economy Pathway'

Project 4: Social Growth & Connectivity

Project 5: Halton Community Services: Supported Employment Project, Assistive Technologies Project, SureStart to Later Life 'Age and Opportunities' Project

Place and Connectivity

Project 1: To kickstart the delivery of the Mersey Gateway Sustainable Transport Strategy via the delivery of a turn up and go Rapid Transit Public Transport Network which will also provide for a range of other sustainable transport schemes, including an improved cycle network linking Halton and the wider LCR, to enable residents to better access employment opportunities.

Project 2: The Realtime/Smartcard/Intelligent Transport System (ITS) aims to complement Project 1 by enabling seamless travel through smart ticketing and the development of a realtime network information system to facilitate well informed travel choices.

3.0 Combined Authority for LCR

3.1 Context

On 30th Sept 2013 the Liverpool City Region submitted its Governance Review to Government. The submission recommends that we create a Combined Authority for the Liverpool City Region, including Halton. The conclusion of the Governance Review is that a Combined Authority is the best model to support economic growth and secure more jobs, in Halton and across the LCR. The Combined Authority will help us signal to businesses and Government that we are serious about working together. It is expected that it will also be able to attract devolved powers and funding from Government.

The proposals were subject to extensive consultation with Members, businesses, partners and the public, and were supported by LCR Cabinet and Council in each of the six City Region boroughs and the Merseyside Integrated Transport Authority.

If there is support for the proposal, an order will be laid before Parliament to create the Combined Authority from April 2014.

BIG Team Context and Emerging Priorities

1. BIG Team Strategic Priorities

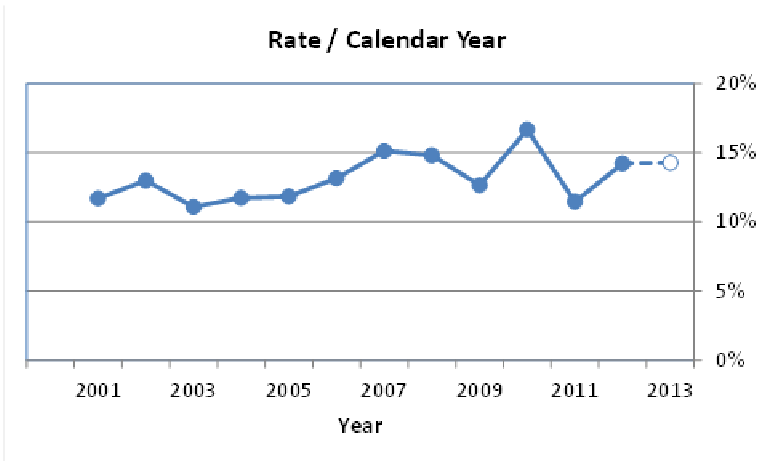
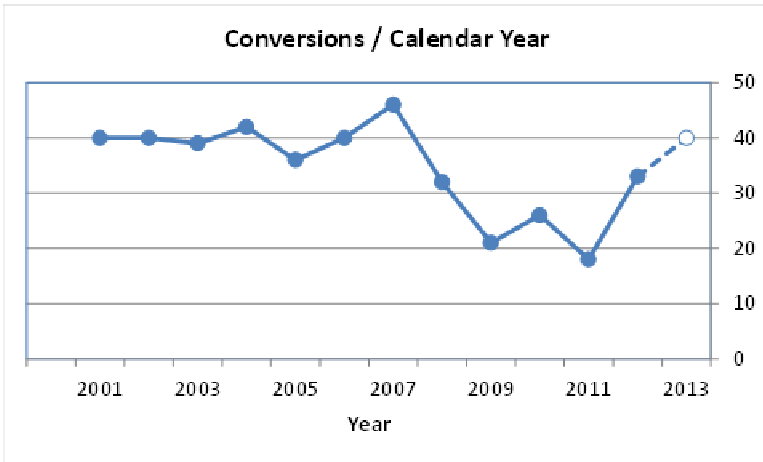
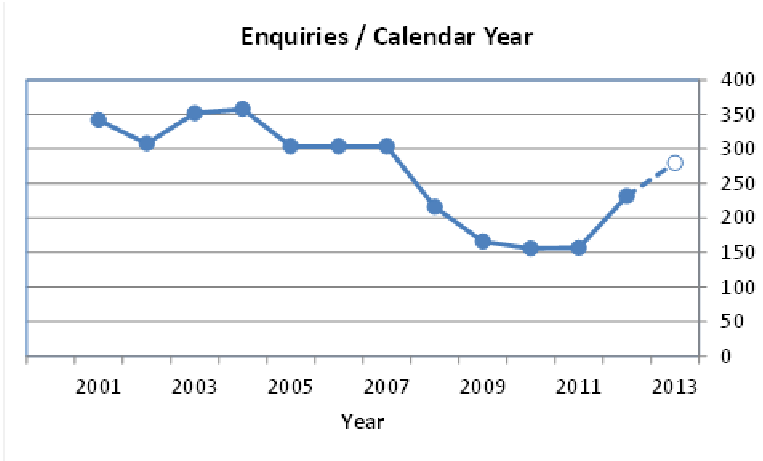
- Service inward investment enquiries from both inward investors and local companies wishing to expand and grow
- Research and disseminate business critical information to local companies and inward investors
- Improve engagement with the key companies in the Borough
- Deliver the BID Programme 2013 – 2017
- Deliver the REECH programme in the BID areas
- Expand the BID Programme to Widnes Waterfront and an additional industrial area in Runcorn
- Deliver the ERDF 4.2 Programme
- Deliver the RGF 3 & 4 Liverpool City Region Business Growth Grant Programme for grant between £10,000.00 and £1 million
- Deliver LEP 'New Markets Programme'
- Facilitate IFoB 2014
- Facilitate Halton Business and Tourism Awards 2014
- Deliver Mersey Gateway Visitor Economy Strategy
- Develop project proposals, and potentially deliver, the 'Business' portfolio for the EU Programme 2014-20
- Manage the commercial property database and service enquiries for commercial property
- Manage and improve the company database and develop a user friendly CRM system
- Work with others to maximise the external resources accessed by the Borough Council

2. Emerging Service Delivery Priorities

Service inward investment enquiries from both inward investors and local companies wishing to expand and grow

Context

- The number of investment enquiries for the 2013 calendar year (280 to date) has surpassed the average, pre-recession, level. The number of inward investment enquiries is likely to be a nine year high by end of the calendar year.
- Similarly, the upward trend of conversions (40 to date) has continued. The current level of conversions is the highest since the onset of the 2008 global recession



Emerging Priorities

Managing commercial property enquiries and the dissemination of business critical information to the local business community is at the heart of the work of the BIG Team.

Given the paucity of resources within the team there is an acceptance that a universal approach to servicing inward investment enquires is no longer realistic. Increasingly, small scale property enquiries will be managed online while more significant or more complex enquiries will be case

managed on an individual basis. Similarly, a greater degree of 'self-service' will have to be introduced to ensure that individual commercial property agents play a greater role in maintaining information about their specific property portfolios within the Council's database. Such changes will inevitably lead to a reduced service to client companies and a very real risk that the coverage of the commercial property data will suffer.

Increasingly the BIG Team simply signpost local business to other agencies and partners for support. The BIG online resources have, therefore, been greatly enhanced and now include :-

- The inward investment website www.runcorn-widnes.com which provides information about a range of Council and partners services, includes an online commercial property search facility and access to an online 'Business Support Matrix' <http://www.halton.gov.uk/property/businesssupport.pdf>
- Monthly e.shots to the business community
- A presence on Twitter, Facebook, Pintrest, LinkedIn and Google +

The Team are also exploring the use of 'Funding Store' and 'Advice Finder' in partnership with the LCRLEP and other LA's

Delivering and Expanding the BID Programme

Context

A major consultation exercise with the Astmoor and Halebank business community between August 2012 and December 2012 found that 85% of businesses reported that the BID has had a beneficial impact on their business while 80% of businesses reported that Astmoor Industrial Estate has improved as a place to trade/operate since the establishment of the BID in 2008.

In January 2013 a mandate was secured from the business community to continue the BID Programme at Astmoor and Halebank Industrial Estates for a further five years. 75% of Astmoor businesses and 82% of Halebank businesses voted in favour of continuing the BID Programme

Emerging Priorities

It is an aspiration to extend the BID Programme to further industrial and commercial areas in Halton, for example Widnes Waterfront or Manor Park. However, it is necessary to spend a number of years working more intensively with the business community in a given geography in order to have any realistic expectation of a positive outcome from a BID ballot. There is currently no resource to support this activity.

Delivering Business Support Programme (including grant)

Context

Increasingly the BIG Team are responsible for the delivery of major grant schemes and business support programmes. Typically, the BIG Team manage the programme and delivery is outsourced to a third party. The two key programmes currently delivered by the BIG Team are the Liverpool City Region Business Growth Grant Programme and the Merseyside Business Support Programme

Liverpool City Region Business Growth Grant Programme

The Council's Executive Board gave approval on October 17 2013 to roll out the Liverpool City Region Business Growth Grant in Halton.

The Business Growth Grant scheme can provide grant of between £10,000.00 and £750,000.00 across the LCR based on a private sector leverage ratio of 5:1 and the creation of sustainable jobs. There are currently 27 local companies seeking support for the schemes

Merseyside Business Support Programme

Since November 2012 Merseyside Business Support Programme has received 150 + enquiries. Currently 82 businesses who are receiving assistance via the programme either in the initial diagnostic phase or the subsequent specialist intervention phase. Assuming that all SMEs currently engaged in the programme successfully complete, then the programme has already achieved over 50% of its output target.

The Merseyside Business Support Programme in Halton has had two audits. The project was described as 'a beacon of good practise'

Emerging Priorities

Take up of the Liverpool City Region Business Growth Grant Programme has exceeded all expectation and has proved very difficult to resource. Delivery of the Merseyside Business Support Programme has necessitated the recruitment of a dedicated Project Team. However, this has only been possible because the costs associated with the creation of the Team were built into the European funding profile at the onset of the project.

Clearly, the delivery of future programmes will have to form part of a comprehensive business support programme which is adequately resourced. Consideration will also need to be given to the developing pan-Merseyside business support environment and the extent to which Halton can bespoke programmes to meet the needs of the local business community.

The BIG Team have also developed a series of business support project for the new European Programme 2014-20 under the 'Portfolio 2 Business' theme. The table below describes the projected outputs and associated spend for each projects

Project	SME Assists	Jobs Created	Jobs Saved	GVA Uplift ✖	Project Cost
SME Competitiveness	455	490	210	140	£1,393,696
Business Engagement	350	175	175	70	£367,500
Maximising ICT	225	135	60	45	£651,298
Advanced Manufacturing	175	140	140	70	£678,916
Totals	1,205	940	585	325	£3,091,410

✘ Companies with improved GVA performance

International Festival of Business (IFoB) 2014

Context

At the behest of Halton Borough Council and partners Liverpool Vision, the organisers of IFoB 2014, agreed to designate the week commencing June 23 'Science, Technology and Advanced Manufacturing' week within the festival programme.

The BIG Team have, therefore, facilitated two major events :-

- SciTech Daresbury, UKTI, Liverpool Vision and Halton Borough Council have agreed to hold a national UKTI ICT event at SciTech Daresbury on Tuesday 24 June
- The Heath Business and Technical Park will host an event entitled 'Addressing the Skills Needs of the Science, Technology and Advanced Manufacturing Sector' on Thursday 26 June

Emerging Priorities

The organisation and management of the events listed above will require considerable resource input from the BIG Team in order to ensure that local companies and young people are fully engaged. For example, UKTI event at SciTech Daresbury is a national event, targeting major corporates. The BIG Team are, therefore, working with STFC and UKTI to ensure that local SME's have access to the event.

The event at The Heath Business and Technical Park will target local SME's but also include a number of fringe events designed to enthuse the Borough's young people about science in general and a career in science in particular.

The BIG Team will also seek to directly engage the 210 science, technology and advanced manufacturing businesses based in Halton to firstly, ensure that local businesses take advantage of the opportunities offer by IFoB and secondly, to encourage local businesses to become participate in the events in Halton

Improving Engagement with Key Companies in the Borough

Context

Since the demise of the NWDA funded Business Aftercare and Investor Development Programmes, and as a result of the resource constraint currently placed upon the Local Authority, very few local SME's of significant scale or who make a measurable impact upon the local economy are proactively managed.

Nationally 300 strategic companies are managed by HM Government, either at a ministerial level or by UKTI, though the 'Top 300 Programme'. A further 1,700 companies are deemed important at a

national level and are intensively managed by UKTI (sub-contacted to PA Consulting). Very few Halton companies are picked up by either HM Government, the 'Top 300 Programme' or other UKTI sector initiatives

Experience in Halton, together with research and documentary evidence, indicates that the vast majority of inward investment is in the form of acquisitions, mergers and re-investment in existing branch plants

Emerging Priorities

The BIG Team have explored a number of models for better engagement with the 50 key companies in the Borough. For example, Warrington & Co outsource business engagement to a private sector company whereas in other Boroughs business engagement is the responsibility of the local Chamber of Commerce. Given that neither the BIG Team nor Halton Chamber of Commerce and Enterprise have the human resources to adequately engage with the local business community then the only likely way forward would be a programme funded via the EU 2014-20 programme. However, given the EU programme targets SME businesses it will be necessary to develop a different mechanism to reach the Borough's large and foreign

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The Green/Low Carbon Economy

Emerging Priorities

- 1.0 Work with the LEP to develop and deliver the EU Investment Plan for the Liverpool City Region.
- 2.0 Work together with the Liverpool Enterprise Partnership (LEP) to develop a Halton Local Sustainable Energy Action Plan

1.0 The Green / Low carbon Economy

1.1 Context

The Liverpool City Region has set out its ambition to transform itself into a low carbon economy in which future economic growth, the delivery of which remains of vital importance, is decoupled from the consumption of fossil fuels and their inevitable carbon CO2 emissions.

The energy sector is critical to this goal and the LCR Sustainable Energy Action Plan (SEAP) provides a vision and programme for the City Region to co-ordinate its energy sector ambitions, advance projects and bring greater resilience to its energy networks. Implementation has the potential to generate significant investment, economic growth and create new jobs, as well as delivering substantial social and environmental benefits.

Economic and business opportunities are arising at a significant pace from the radical changes that need to be made to technology, methods of production and forms of consumption to become a low carbon economy. The challenge for businesses and economies, including Liverpool City Region, is in being ready to capture and realise these opportunities. The Low Carbon Economy for Liverpool City Region focuses on four key areas:-

- energy
- networks
- transport
- buildings.

These areas show the greatest growth potential for Liverpool City Region and relate to existing strengths and expertise. The Energy and Environmental Technologies and Services sector (EETS) are companies who supply goods and services that have an application that is used to enhance the environment. The transition to a low carbon economy will generate significant opportunity both in the EETS sector and more widely in construction, fabrication, installation and maintenance associated with changes in the ways that energy is generated, distributed, used and conserved.

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1.2 Emerging Priorities

One of the portfolios for the European Programme is the Blue/Green Economy, which focuses on developing significant growth and value by exploiting the commercial opportunities for low carbon and the marine economy associated with the port, river, off shore renewables, hydrogen resources, specifically for decentralised low carbon energy, transport and resource efficiency.

Work is currently on-going to further develop Halton projects in consultation with partners. This will include identifying match funding and where appropriate delivery partners. The projects identified under this theme for consultation are listed below:-

Project 1: Heat Networks – decentralised energy network East Runcorn

Project 2: Retrofit – development of a domestic and industrial energy efficiency programme

Project 3: Hydrogen Fuel Network – an infrastructure project that is part of a wider plan to develop Ultra Low Carbon transport capability in the City Region

Project 4: Green Networks – helping businesses to take up micro technologies/renewable technologies