



REPORT TO THE NORTH WALES ECONOMIC AMBITION BOARD

18 OCTOBER, 2019

TITLE: *Regional Business Support*

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1. PURPOSE OF THE REPORT

- 1.1. The purpose of the report is to set out the proposed way forward for achieving improved alignment in the delivery of business support services for the region, in order to gain agreement to continue with the work required to implement the approach.
- 1.2. The need for improved alignment in delivery of business support services was identified as part of the Growth Vision Project – Regional Growth Fund Outline Business Case. Workshops and engagement activities with key partners took place to develop the proposals, supported by an engagement event with businesses facilitated through the North Wales Business Council.
- 1.3. The report has been to the Business Delivery Board and North Wales Business Council prior to the NWEAB.

2. DECISION SOUGHT

- 2.1. To endorse the guiding principles and alignment approach proposed in the report to achieve improved alignment in the delivery of business support services in the region, with development continuing in line with the timetable in paragraph 4.6.13, with funding from Welsh Government for a dedicated resource to support the development work.
- 2.2. To request partner organisations to nominate people, by end of October, for the working group to develop the Memorandum of Understanding, Terms of Reference and Detailed Delivery Plan.

3. REASONS FOR THE DECISION

- 3.1. As outlined in the report.

4. BACKGROUND AND RELEVANT CONSIDERATIONS

4.1. Current Position

- 4.1.1 A key message arising from stakeholder engagement sessions held with the private sector during the development of the Growth Vision was the need to simplify access to business support across the region. The North Wales Business Council, as a member of the NWEAB, working with Local Authorities, worked in consultation over several months and events with its members and individual businesses to formulate the Regional Business Growth Fund Project. One component of the project identified the need to establish a 'Business Growth Hub.' It was not intended to add another layer of complexity to existing services but rather to **promote alignment and efficiency**

across organisational boundaries, in the context of the 'Team North Wales' ethos, **providing a joined up easy customer journey for all businesses and entrepreneurs.**

- 4.1.2. Work has taken place with key partners and businesses in the region to develop proposals for how the proposed alignment of services could be achieved in practice. A framework has been developed to underpin the alignment activity consisting of a purpose, set of 5 guiding principles and services to be included.
- 4.1.3. Current practice has been explored to ascertain the level of service alignment that is achievable at the present time. This has identified that the alignment can be best achieved in incremental steps, starting with more joined up conversations across the Region, to identify and share best practice.
- 4.1.4. It is proposed to do this through the establishment of a regional **Collaborative Business Network with a Strategic Group to provide direction and achieve the alignment and support businesses are seeking. It will link in with local operational arrangements, some of which already exist. Co-ordination support will need to be resourced e.g. via an identified officer in the Programme Office or nominated officer from a delivery organisation.** The Collaborative Business Network will be underpinned by a Memorandum of Understanding between partners, Terms of Reference for groups and development of a Detailed Delivery Plan. It is essential that it builds on existing structures and networks in localities, so the strategic work does not detract from the work of local networks. The Collaborative Business Network will report into the NWEAB and Welsh Government, as well as to partner organisations involved.
- 4.1.5. Moving towards alignment in this way will provide increased opportunities for better joined up working and sharing of good practice on specific topics, for the benefit of business and entrepreneurs, for example, achieving improved business engagement so awareness of opportunities increases and simplifying local access to a wide range of information and opportunities. The customer will be the focus at the centre of this alignment.
- 4.1.6. The aim is to collaboratively develop and approve the required documents and associated practices over the next eight months, with a view to **arrangements coming in to place by April 2020.** Staff from key partners will be identified to participate in the collaborative development work, which will be led by the two current project leads from Conwy CBC and Welsh Government supported by a dedicated development resource funded by the Welsh Government.
- 4.1.7. The following provides the details of the framework and proposed way forward for the alignment of Regional Business Support.

4.2. Alignment of Regional Business Support

- 4.2.1. The purpose is to enable North Wales businesses and entrepreneurs to maximise their potential and market opportunities through engaging with easily accessible, consistent and comprehensive:
 - Impartial signposting and information;
 - Advice, support and guidance on a range of topics;
 - Access to finance e.g. funding opportunities generated through the Growth Deal and other sources of funding to enable inclusive and economic, social and place based gains for the region.

4.3. Current Service Delivery

4.3.1. The current service delivery landscape is complex, with delivery achieved through a range of different organisations including:

- Welsh Government Regional Staff
- Welsh Government Business Division (includes Business Wales core service, Enterprise Hubs and Innovation support)
- Local Authorities
- Higher Education Institutions
- Further Education Institutions
- Careers Wales (Working Wales)
- DWP (employment and skills support)
- Development Bank for Wales
- Private sector partners and providers of relevant services
- Business Community Networks and Organisations, e.g. Business Council, FSB, Chamber of Commerce, UKTI, CBI
- Visit Wales
- Social Enterprise
- Third sector organisations
- Private sector businesses

4.3.2. Although all the organisations have a common purpose of supporting business growth in the region and in some areas there has been a move away from target driven services to focus more on making a difference locally, there is still a mismatch across the region with some organisations who:

- Have their own specific focus and targets in relation to their service delivery and funding goals, which sometimes are in competition or conflict with other organisations;
- Source funding from a range of different places, with varying rules and paperwork around spend.

4.3.3. This creates layers and complexity in service delivery to businesses. The business sector has clearly articulated a desire for the delayering and repackaging of services, to better meet their needs.

4.3.4. However, bringing this complex landscape together is challenging. The scope for change is co-dependent on the appetite for change from the organisations involved along with statutory regulations.

4.3.5. Within the service delivery organisations, there is currently appetite for a more collaborative way of working which is based around further developing conversations and relationships among service deliverers, to enable better sharing of knowledge across the region rather than just in localities. This can build on the existing good local networking and collaboration and widen it to achieve more consistency and build shared approaches.

4.3.6. Some of the challenges which influence the scope of the alignment of services include:

- The competing nature of some service provision;
- The number of different types of organisations who deliver services;

- The range of capacity currently available in different localities;
- The statutory requirements/funding provider requirements for paperwork, KPI's etc. linked to monies.

4.4. Guiding Principles

Improved alignment of business support across the region needs to be influenced by the following 5 guiding principles, so the resulting regional delivery model builds on the strengths of current delivery and meets the needs expressed through engagement with representatives from the private sector and the delivery organisations.

4.4.1. Adopt a customer based approach:

- The customer to be central in the support provision with clear customer pathways through services, rather than support being focused around projects or funding streams;
- There is neutrality in service advice given based on what best meets customer need, rather than particular projects;
- Shared behaviours are identified across the delivery partners, for example in a customer charter framework;
- Private sector have a strong say on the services being offered;
- The Customers are all businesses and entrepreneurs based in North Wales:
 - Recognising people choose whether to engage;
 - Recognising demands and offers will vary in different localities depending on the different nature of the businesses. A baseline of services can be available to all which is tailored according to the need of the business. There is a need to manage expectations;
 - Recognising there are many ways of segmenting customers, e.g. by locality, by sector, by size of business.

4.4.2. Encourage good relationships, co-ordination and collaboration:

- Investing time and effort to build good long term relationships and a local and sector knowledge base with customers is essential to providing good quality support;
- Building good relationships and a shared knowledge base with other service providers, supports provision of co-ordinated support;
- Achieving both of these can have significant impact even if all services are not available locally and a shared customer relationship management package is not in place.

Co-ordination:

- Enable co-ordinated packages of support and joint visits from service delivery organisations in a timely way (i.e. expert support early enough in the process), managed by a locally based single point of contact for the business.
- Enable co-ordinated employer engagement to rationalise contact with businesses around finding work experience and employment opportunities for clients from other services.

Collaboration:

- Enable more collaboration between all the service delivery organisations to reduce silo working and duplication, simplify paperwork where possible and improve consistency in provision across the region;

- Enable more collaboration between service delivery organisations and businesses to foster a move from transactions to transformational interactions which benefit both sides;
- Enable cross border connectivity;
- Enable the collaborative space for private sector to directly influence the services being offered;
- A recognition that some parts of the private sector could equally be able to deliver business support services.

4.4.3. Enable simple, consistent accessibility:

- Simple way in for new customers of the services, i.e. one central starting point for expert local help and advice, e.g. single website, single telephone number and/or locality telephone numbers;
- Recognise other routes into services, e.g. via accountants, enquiries at colleges, via planning teams and regulatory services, etc.;
- Existing customers will have a local contact point of reference as a starting point for expert local help and advice (telephone/email);
- Delivery points – virtual and local:
 - All businesses have a choice of all delivery methods, e.g. web based, telephone, video call, face to face;
 - Virtual, e.g. self serve website, video based meetings;
 - Use of existing locality premises, e.g. Enterprise Hubs, Local Authority Offices;
 - Recognising many interactions take place at a business's premises.

4.4.4. Provide consistent, quality information and provision:

- Consistency in information available for new and existing customers whichever route they choose;
- Impartial advice given with business directed to most appropriate support and/or funding opportunity;
- Suitably qualified and trained staff available across the region;
- Move towards a shared customer relationship management system, if cost benefits are demonstrated;
- Recognise the complexity of KPI requirements with competing perspectives, align, where possible, for the benefit of the customer, with potential for the creation of a couple of shared KPIs for all;
- Respond to enquiries in a timely and co-ordinated way, including with a rapid response solution;
- Increase demand through co-ordinated engagement, whilst managing expectations;
- Increase visibility through co-ordinated regional marketing;
- Promote the area with a presence on International, National and Regional stage.

4.4.5. Evolve the solution:

- Achieve service alignment in a sustainable way, working towards the desire to de-layer and position support to better meet the needs of business and entrepreneurs;
- Adopt a continuous learning approach;
- Provide a dedicated fixed resource to support and co-ordinate the journey;

4.5. Services Identified

4.5.1. There is a clear message that service delivery should be customer driven and led. The services identified as needed by customers include:

- Signposting– consistent and comprehensive
- Information provision – consistent and comprehensive
- Impartial advice and support, one off and on going (e.g. general, business queries, finance options and applications) – aligned packages of services to meet business needs
- Specialist advice and support – aligned packages of services to meet business needs. These can be topic based, e.g. export/import, supply chains, international trade, digital growth, graduate placements, business skills and apprenticeships, HR, ICT and/or Sector based e.g. food, construction, hospitality, tourism, engineering, manufacturing, care)
- Social enterprise support and development
- Knowledge transfer research and development & network
- Regional marketing
- Proactive business engagement activities – linking business with opportunities, business week, business events
- Inward investment and job creation opportunities development
- Funding and grants
- Oversight, visibility and support in applying for use of regional growth fund opportunities which may emerge, in particular indications have been given of a need for funding for the following, as described in detail in the Regional Growth Fund Outline Business Case:
 - Regional Marketing
 - Knowledge transfer research and development
 - Knowledge transfer network
 - Green North Wales fund
 - Export Manager loan fund
 - Uni and Business collaborative research fund (2+)
 - Industry 4.0 commercialisation fund (grant/loan fund)
 - Graduate placement scheme
 - Supply chain (accreditation support – ISO, Cyber security, low carbon, safety, GDPR)

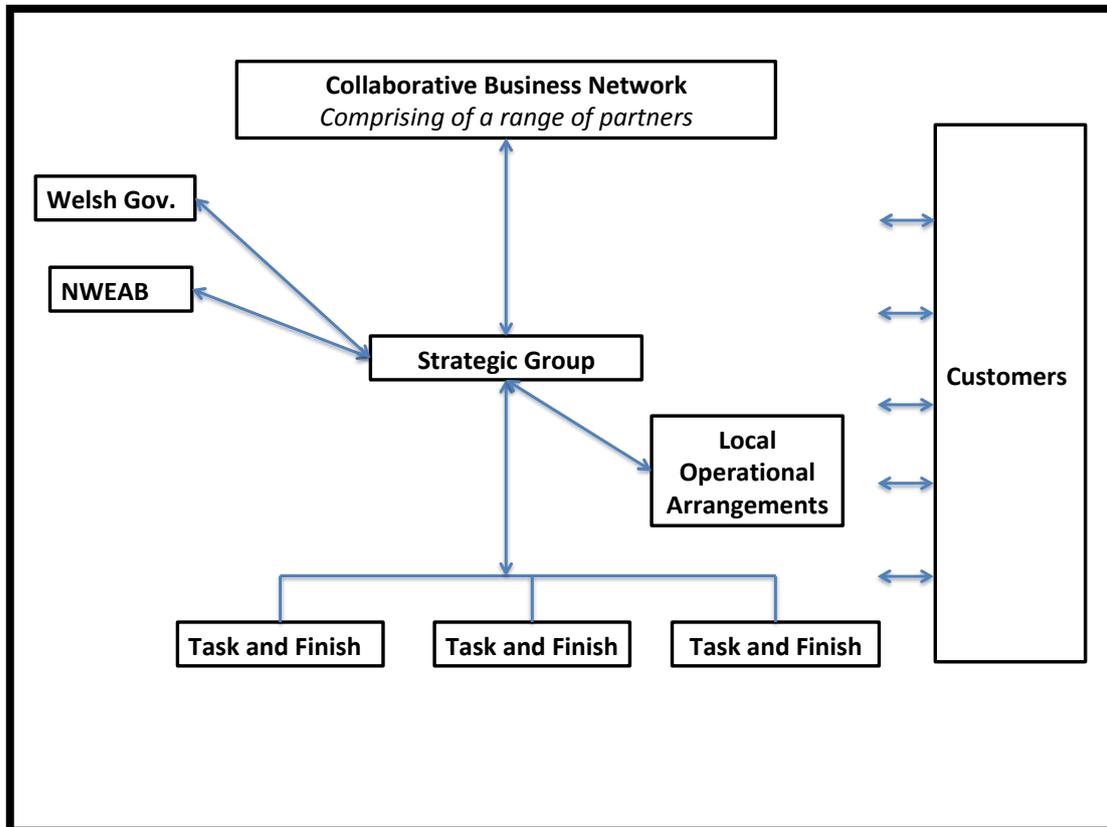
4.6. Service Delivery Alignment Approach

4.6.1. Taking into account the complexity of the current service delivery landscape, along with the opportunities and challenges for change, a pragmatic way forward is to have an evolving solution. The evolving solution can therefore be independent of achieving growth fund monies, but keeps in mind the desired need articulated by businesses to delayer and repackage support to better meet their needs.

4.6.2. A long term desire expressed by some partners is to have a Regional Development Body which could be responsible for carrying out specific services, similar to a LEP in England. However, this is not the direction of travel in place at this current time.

4.6.3. In the short term, the alignment proposed is reflective of the scope and appetite for change within the current statutory, organisational and funding delivery structures, but with opportunity to keep evolving.

4.6.4. The proposal is to develop a regional **Collaborative Business Network** with a **Strategic Group** to provide direction, to achieve the alignment and support businesses are seeking. It will link in with local operational arrangements, some of which already exist. Co-ordination support will need to be resourced e.g. via an identified officer in the Programme Office or nominated officer from a delivery organisation. An illustration of the Network is shown below.



4.6.5. In its formative stages the Network will be led by Welsh Government and Local Authorities with an expectation that all the organisations listed in paragraph 4.3.1 can be part of the Network, signing up to a **Memorandum of Understanding**.

4.6.6. The **Strategic Group** will enable a region wide sharing of knowledge and information to enable focused planning of business support and growth for the region, linking in with existing plans and strategies. It will report into the NWEAB and Welsh Government as well as to partner organisations involved.

4.6.7. As required, the Strategic Group can commission task and finish groups to carry out topic specific work to improve service delivery in a collaborative way, for example:

- Develop 'decision trees' that can be used for topic specific support;
- Identify potential for targeted 'sharing of resources';
- Work collaboratively on regional engagement;
- Work collaboratively on targeting areas of support for the region;
- Share knowledge on day to day practice, to identify best practice working which can be adopted across the region to raise the quality of provision.

4.6.8. The **local operational arrangements**, some of which already exist, for example in Wrexham and Flintshire, comprise of key local partners who come together to work on local planning of business

support and sharing of information and knowledge for the benefit of local businesses. It is essential that existing arrangements are used as a starting point and built upon as part of this process.

4.6.9. A funded **co-ordination resource** will be required to facilitate the effective management of the Network. A source for this funding will need to be identified.

4.6.10. The Collaborative Business Network will be created and managed via a **Memorandum of Understanding (MOU)**. The MOU is a statement of serious intent, agreed voluntarily by equal partners of the commitment and resources and other considerations that each of the partners will bring. It is formal but not legally binding. The success of the Collaborative Network will be dependent on partners signing up and committing resource to participate in groups, to build relationships and collaborative working. It will provide a framework to enable organisations to informally share capacity and drive meaningful improvements.

4.6.11. There are several benefits to formalising the Collaborative Business Network through an MOU, in particular:

- It provides clarity for all partners about what each is putting in, what each is getting out and the timeframe for doing so;
- It is also an opportunity to build a shared responsibility for delivery, ensuring that workload does not fall on a small number of individuals; and
- It provides an opportunity to build impact evaluation into the partnership from the outset and setting out clearly the achievements it hopes to realise.

4.6.12. The MOU will contain a range of information and be supported by Terms of Reference for the group and a detailed delivery plan. Working up the specific detail for the MOU, Terms of Reference and detailed delivery plan will be done in the next phase of the work, if this proposal is approved to proceed to the next stage of development. Much of the detail can be derived from this report.

4.6.13. Once developed, the Memorandum of Understanding will be presented to the NWEAB and individual Partner organisations for endorsement and signing. The outline timetable for this work is shown in the following table.

Action	Who	When
Proposal to proceed to next stage report: <ul style="list-style-type: none"> • Executive Group • Business Delivery Board • North Wales Business Council • NWEAB 	<i>Project leads</i>	14 June, 2019 18 June, 2019 11 July, 2019 18 October, 2019
Organisations nominate people to participate in development work	<i>Partner organisations</i>	By end Oct
Dedicated Development Resource procured	<i>Welsh Government</i>	By end Sept
Working Group meetings to develop MOU, Terms of Reference and outline delivery plan, including any resource ask	<i>Partner organisations</i>	Oct – Nov
Draft MOU circulated for comment, inclusion in preliminary budget setting / sourcing funding	<i>Partner organisations</i> <i>NWEAB</i>	Dec – Jan

MOU endorsement and signing	<i>Partner Organisations NWEAB</i>	Feb – Mar
First Collaborative Business Network Strategic Group meeting to agree Terms of Reference and adopt delivery plan	<i>MOU signatories</i>	April 2020

5. FINANCIAL IMPLICATIONS

5.1. There are no financial risks noted at this time.

6. LEGAL IMPLICATIONS

6.1. The Memorandum of Understanding is not a legally binding document.

7. STAFFING IMPLICATIONS

7.1. No changes to staffing are proposed.

8. IMPACT ON EQUALITIES

8.1. Development work will be undertaken in compliance with the Partners duties under the provisions of the Equalities Act 2010.

9. CONSULTATIONS UNDERTAKEN

9.1. The North Wales Business Council worked in consultation over several months and events, with its members and individual businesses to formulate the Regional Business Growth Fund project. North Wales Business Council members include the West Cheshire & North Wales Chamber of Commerce, the FSB, Creative North Wales, North Wales Exporters Club, North Wales Tourism, Gwynedd Business Network, Wrexham Business Professional, CITB, the IOD MakeUK, the CBI.

9.2. To develop the Network element of the project, a series of meetings have taken place with key partners. Local businesses were consulted on 21 March, 2019 through an event organised by the North Wales Business Council. The notes from the event are attached as **Appendix 1**.

9.3. The final report was presented to the North Wales Business Council meeting on 11 July, 2019 and the following comments are noted, which are in addition to those contained in Appendix 1:

- The Business Council is supportive of the main content of the North Wales Regional Business Support (North Wales Business Network) paper, especially the singular point of access and the flexibility around service choice and catering for micro to large businesses.
- The evolutionary nature proposed by the paper, does not though deliver the requested transformational change on business support and economic development activities desired by the Business Council, Partners and wider business network (as per the earlier Business Council formal feedback).
- Moving away from the current EU funding system, is the perfect opportunity to put a new business support system in place, to support our businesses to achieve transformational growth. Any newly designed system should minimise bureaucracy for the business users and also maximise opportunities for cross support of different but linked sectors e.g. Tourism and Food.

- It is imperative that that the new ‘front end’ single point of access is marketed sufficiently, to make businesses aware of this business support entry point and the services offered. This of course needs ongoing revenue funding, as does the dedicated resource that will coordinate the North Wales Business Network.
- As regards the setting of KPI’s for the North Wales Business Network, we would like a strong say in how these are set/formatted.
- By opting for an evolutionary change to the business support system, with a singular point of access but keeping all the existing multiple providers and systems still in place at the ‘back end’, this may well leave us with an overly complex engine which is having to work doubly hard just to maintain the uniform ‘front end’, with consequential negative performance outcomes for the Customer. Rationalisation of a large amount of the back end infrastructure, would not only allow more efficient and productive performance (less duplication of work) but also allow more resources to be redirected towards the front end service and the Customer.
- From a messaging perspective, the Paper needs to show the Customer at the top/as the focus.

9.4. The report was presented to the Business Delivery Board members on 18 June, 2019 and the following response was noted.

“Members considered the paper with interest and were supportive in principle of having such a function for the Region, however, they did feel that the paper was not ambitious enough. It failed to identify how it would be lead, where control would be held and how it was to be driven. Members felt that the proposal needed to be more decisive with a framework that would operate as a ‘One Stop Shop’ for regional economic development services. Members thought that an amalgamation of the Economic Development Teams across the Region into one structure would be an option for implementing a Regional Business Support One Stop Shop. Ultimately Members felt that the proposal would fail to address the regional needs and a Memorandum of Understanding and incremental steps were not enough to deliver on the desired outcomes.”

APPENDICES:

Appendix 1 NWMD Business Council Consultation Notes

STATUTORY OFFICERS RESPONSE:

i. Monitoring Officer – Accountable Body:

“As noted in the report this is the first and a key step in moving towards a collaborative model. The commitment of the partners will be required to formulate and agree a Memorandum of Understanding. Although stated not be legally binding such a document can be an important and significant commitment by virtue of its content and message.”

ii. Statutory Finance Officer (the Accountable Body’s Section 151 Officer):

“Part 5 of the report states that there are no financial risks, and I understand the intention at the moment is to operate within partners’ existing resources and Government grant funding. If / when additional budget will be required in order to realize the vision, then this item must be re-submitted to a subsequent meeting of the Board.”

