

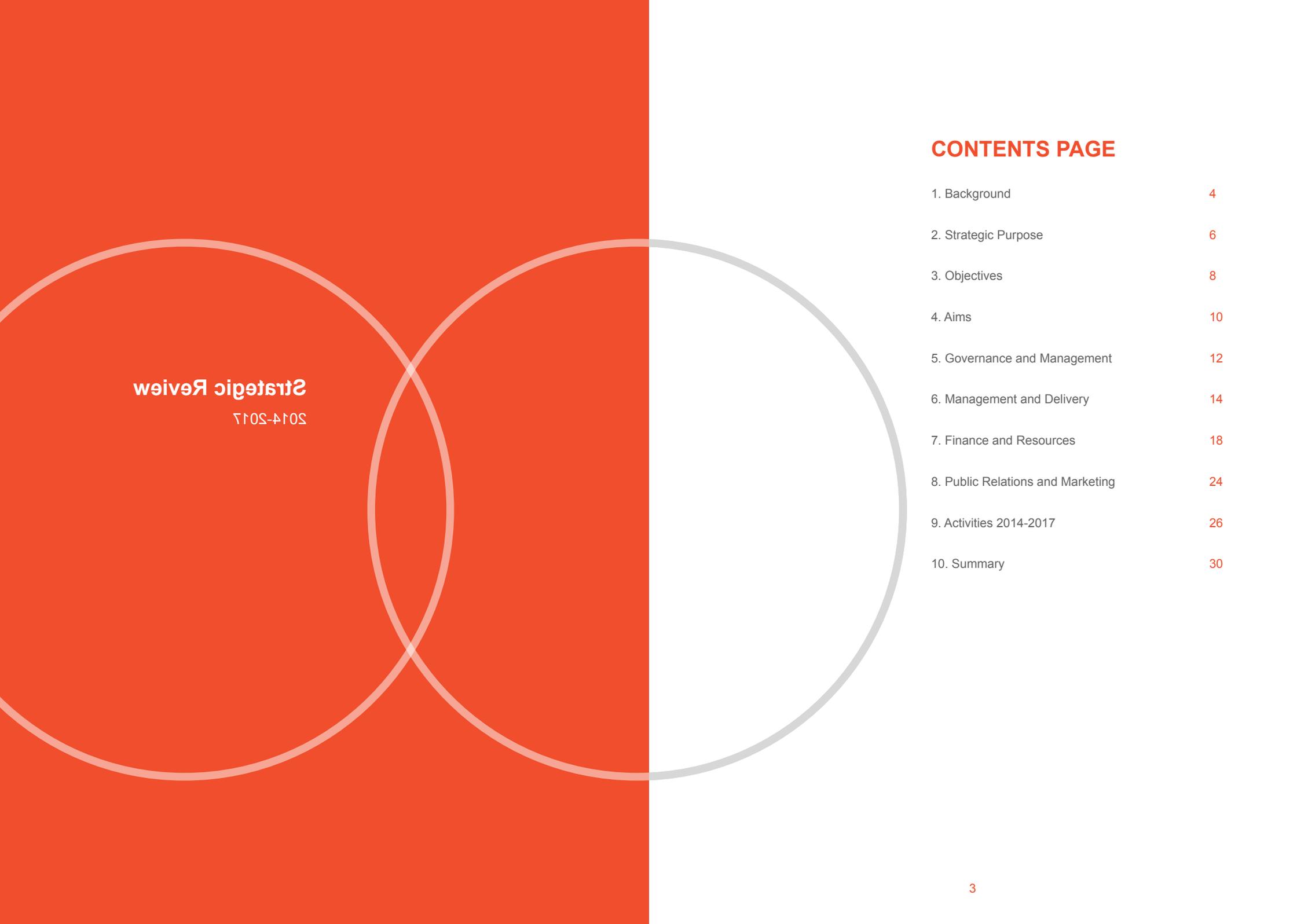


# Strategic Review

2014-2017



Professional Liverpool  
connecting excellence



**Strategic Review**  
2014-2017

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## 1. BACKGROUND

1.1 The Professional and Financial Services Sector (“the PFS Sector”) is one of the cornerstones of the Liverpool City Region economy; it is the largest single generator of jobs and GVA for the City Region.

1.2 Professional Liverpool (“PL”) is the only organisation that specifically represents the PFS Sector. It is a membership-driven organisation, first established in 2002 and formally incorporated in 2007 with the aim of assisting the PFS Sector in Liverpool to work more closely together and to provide its members with an opportunity to network and to influence local and national public sector policies that impact on the City Region, the PFS Sector itself and businesses within the PFS Sector.

1.3 Part of the strength of PL is in the number and range of its membership. The number of members has grown from approximately 60 in April 2011 to around 180 in April 2014.

After some challenges following the withdrawal of public sector funding in 2011, PL now has a strong membership and sound financial base. An on-line survey of members in Spring 2014 found that 100% of members responding were either satisfied or very satisfied with their membership of PL and over 92% said that membership represented value for money.

Almost 80% of respondents said they joined for reasons of business development and contacts; correspondingly, ‘informative events’ rank highest in what is important to members.

1.4 The PL Board has undertaken a review of the organisation’s strategic objectives and aims to ensure it can become more effective in achieving those aims in the short and medium term.

This will require continued growth in membership, effective communication with members and closer working with other City Region organisations which have shared objectives so that PL can help direct the knowledge and resources within the PFS Sector for the benefit of its members and the wider City Region economy.

## 1.2

**Professional Liverpool is the only organisation that specifically represents the Professional and Financial Services Sector Sector**

## 2. STRATEGIC PURPOSE

2.1 PL exists for the benefit of its members. The Objectives of the organisation (see Section 3 below) are widely drawn and make it clear that 'member interests' include the health of the wider City Region economy. The sector is of huge importance; as an employer (around 70,000 jobs), as an above average contributor to GVA, as a provider of services across all sectors of industry and commerce and as a sector which is key to promotion of the City Region.

2.2 PL is the only organisation in the City Region which represents the PFS Sector. It operates alongside other organisations, many of which have relevance to businesses in the PFS Sector:

Public Sector organisations such as the City Council (inc Liverpool Vision) and other Local Authorities; Private Sector led organisations such as the Local Enterprise Partnership and its 'Boards' (including the Employment and Skills Board), Chambers of Commerce and other 'sector' organisations such as Mersey Maritime, all of which are also membership organisations; and Universities, not only the University of Liverpool and Liverpool John Moores University, but also Liverpool Hope University and Edge Hill University.

2.3 Increasingly Central Government policy and funding is being allocated at 'City Region' level. Liverpool has an elected Mayor which provides special powers and resources, but in matters relating to Transport and Economic Development all 6 Local

Authorities in the City Region are now operating as a 'Combined Authority'. The City Region Local Enterprise Partnership (LEP) is private sector led and the Chairman is a member of the Combined Authority Board. Private Sector representation on the LEP Board is drawn from across the City Region and includes a wide range of businesses.

The LEP has been charged by Government with producing a Growth Plan for the City Region and a programme for the next round of European Funding.

The Growth Plan identifies a limited number of industry opportunities which will drive future growth in the City Region; including the 'Knowledge Economy', of which the PFS Sector is a part. Employment in the Sector (at around 70,000) has recovered strongly following the recession and LEP forecasts suggest that the Sector has the potential to continue to grow strongly.

2.4 As the body which represents the PFS Sector, PL is the obvious 'partner' for the LEP, Liverpool Vision and a number of other organisations with interests in the economy of the City Region and in promoting investment opportunities to the City London and overseas.

PL has developed a working relationship with the office for the Lord Mayor of London and is developing stronger links with local MPs to help inform and promote the role which the PFS Sector plays in the local economy.

### 3. Objectives

3.1 PL's objectives are set out in the organisation's Memorandum and Articles of Association and can be summarised as:

The promotion of professional excellence in the Liverpool City Region and its surrounding area by:

- (i) Enhancing business opportunities for its members.
- (ii) Maintaining and enhancing the image of its professional community and its reputation as a key financial centre; and
- (iii) Assisting the economic development of the area;

3.2 The Board believes that these objectives are still relevant and appropriate for the organisation. They are not mutually exclusive; they recognise that PL exists for the benefit of its members

# 3.1 (iii) Assisting the economic development of the area

## 4. AIMS

4.1 PL's membership embraces the larger and more influential professional firms in the Liverpool area as well as a wide range of middle ranked and smaller businesses that form the strength in depth of the PFS Sector. PL provides an opportunity for the sharing of experience through networking and represents the PFS Sector to key decision makers, enabling the PFS Sector to play a wider role in the growth and success of the Liverpool economy.

4.2 PL has three principal aims:

(i) Business Services: Promoting improved business performance by facilitating the development of business and personal relationships among its members through:

- Networking (formal & informal)
- Members' Collaboration
- Promoting Members' Expertise
- Professional Development
- Event Management
- Access to Members' Facilities & Expertise, and Sub-Sector specific initiatives.

(ii) Representation: Representing the PFS Sector's and members' interests to key stakeholders, ensuring that the interests of the PFS Sector are properly considered with regard to public policy decisions by:

- Demonstrating an understanding of the key issues affecting the PFS Sector
- Identifying and influencing the development of policy on the issues of strategic importance to PL's members, and
- Developing relationships with similar organisations elsewhere in the UK.

(iii) Economic Development: Ensuring the PFS Sector plays a full role in the development of those wider policy areas where members can contribute to the health of the local economy by:

- Developing effective relationships with key local and national public and private partners and organisations
- Enhancing the reputation and image of PL and the PFS Sector, and Marketing the PFS Sector and PL's activities locally and nationally.

## 4.1

**PL provides an opportunity for the sharing of experience through networking and represents the PFS Sector to key decision makers**

## 5. GOVERNANCE

5.1 PL is incorporated as a Company Limited by Guarantee. It is governed by a Board of between 11 and 14 individuals (including officers) drawn from the PFS Sector in the City Region and which meets at least six times per annum.

The Articles of the organisation provide that Board members should be elected by the membership at the Annual General Meeting of the Company.

The composition of the Board at the AGM in November is: Jim Gill, Chairman; Andrew Lovelady, Treasurer and Company Secretary; Garry Banks; Lisa Greenhalgh; Martin Heath; Stuart Keppie; Andrew Morris; Steve Stuart; David Swaffield and David Varey.

5.2 Board Members are expected to represent and promote the interests of PL outside Board meetings and 'lead' on particular areas of activity for example through Sector Groups. Former Board members Professor Jim Keaton and Stephen Burrows have been recently appointed as Ambassadors to PL.

The Board will review whether the frequency and management of Board meetings can be adjusted to enhance PL's ability to provide thought leadership and policy formulation on issue of interest to the FPS Sector.

5.3 There have been significant changes in the make-up of the Board in recent years. Despite that it is clear that further change is necessary to ensure wider representation across sub-sectors and size of business, and to achieve a more representative age, gender and ethnic balance among Board members.

The Board will review whether to achieve this will require changes to the Articles and, if so, will propose changes for consideration by members.

## 5.2

**Board Members are expected to represent and promote the interests of PL outside Board meetings and 'lead' on particular areas of activity**

## 6. MANAGEMENT AND DELIVERY

6.1 Executive support is provided through a part-time Chief Executive (John Hall) and an Executive Assistant (Alex Clark).

The limited staff resource available to the organisation is a key factor in determining the level of activity and how it is undertaken, placing an emphasis on Board and member engagement and on collaboration with partner organisations. How PL will manage these opportunities is discussed below.

### Sector Groups

6.2 Much of PL's activity, including networking activity, is undertaken through Sector Groups. The Groups act as networking forums and provide a mechanism for bringing members together to address specific issues of interest to the group; either 'internal' or 'external', allowing members to present a common voice on issues of wider interest.

Groups are usually, but not always, chaired by a Board member with the formation and management of the Group driven by collective member interest.

6.3 The Sector Groups provide an effective way for members to be engaged in developing a collective approach to public policy issues that are directly relevant to their areas of expertise.

For example: the Design and Construction Group has established a 'critical friend' relationship with Liverpool City Council with

regard to issues associated with the physical development of the City; the Property Group provides regular analysis and commentary on the working of the property market locally; the Corporate Finance/Wealth Management Group is supporting proposals for the development of a Business Angels network in the City Region; the Healthcare Group provides a forum for businesses across the professional spectrum to understand how developments in the health sector might threaten existing business models or provide new opportunities, while the Marketing and Communications Group provides an opportunity for communications professionals to share issues and to provide advice to PL on the organisation's own communications activity and strategy.

6.4 The Sector Group 'structure' is not fixed and will vary as the interests of members and partner organisations change. PL will support existing and new Groups as dictated by circumstances.

The Board will encourage greater collaboration across Groups and encourage a clearer role for the Groups in helping the Board to identify key emerging issues which PL should look to influence.

One example is the topic group on Education, Employment & Skills which is helping PL to handle its interests with that issue.

## City Region Partner Organisations

6.5 PL has shared interests with a range of public and private sector led organisations, including the City Council (inc. Liverpool Vision), the LEP, Chambers of Commerce and the Universities. The nature and strength of relationships with each varies. For example, there is an established working relationship with the University of Liverpool, while other relationships, such as with the LEP are developing because the growth prospects in the Sector are an important element in the broader economic strategy for the City Region.

Over the next 12-15 months PL will confirm the appropriate relationship with each of the key partner organisations identified above and will work with them to address common objectives as set out in the list of activities outlined in Section 9 below.

## Professional Institutions

6.6 Many of the Professional Institutions are represented in the City Region and many of PL's members are also members of an appropriate professional body. A number of the Institutions are 'Honorary' members of PL and there are a number of areas of mutual interest where a more clearly structured relationship would be beneficial; for example, with regard to the Employment and Skills agenda for the Sector in the City Region.

The Board will work with the Professional Institutions to agree those areas where the organisations might work more closely together, and to agree how.

6.5  
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## 7. FINANCE AND RESOURCES

7.1 On incorporation in 2007 PL inherited reserves of £50,000 from the previously unincorporated organisation which had accumulated over the previous 5/6 years. These reserves were wiped out in 2010 following abolition of the North West Development Agency and consequent withdrawal of the Agency's promotional work it had commissioned from PL. The subsequent loss of focus on member interests led to a severe fall-off in membership and subscription income. Over the past 3-4 years the Board and Executive team have worked hard to restore confidence and re-build membership numbers. The experience of 2010 and the immediate aftermath have confirmed to the Board the importance of focus on member interests and on the need to secure wider support for PL through collaboration with organisations that share our wider objectives. Member engagement and financial prudence are now the organisation's watchwords.

To help ensure long term financial stability, the Board has determined to establish modest reserves to cover 12 months operating costs and to achieve this by 31 March 2017.

7.2 The draft actual results for the year ended 31 March 2014 (below) show a surplus in line with the forecast made at the time of the AGM in November 2013. The organisation has continued to strengthen its financial position since the year end.

			<b>2014</b>
			£000
<b>Income</b>			
Subscriptions	69		
Event income	75	144	
<hr/>			
<b>Costs</b>			
Payroll costs	62		
Other costs	57	119	
<hr/>			
<b>Net surplus</b>			<b>£25</b>

7.3 Income from subscriptions in 2013/14 was £11,000 higher than in the preceding year, reflecting the growth in membership over that period. The only other significant source of income arises through the events that PL organises, which include networking and social events and a series of dinners, particularly those organised jointly with the University of Liverpool.

7.4 The Board accepts that, at least for foreseeable future, PL's available income levels will be 'restricted'. That means that the organisation will continue to have limited direct manpower resource and will need to work with others to achieve its objectives. The Board also believes that it should be possible to grow income levels to allow a modest increase in the 'executive' or other directly managed resource available to the organisation and which will enhance our ability to deliver the various programmes.

To achieve that PL will:

i. Over the next three years, aim to increase subscription income to £100k (or more) through continued growth in membership and –if appropriate– through a restructuring/increase in subscription rates. Subscription rates have been held at the same level for the last 4 years and any proposals with regard to subscription

rates will be presented for consideration by members at the appropriate AGM.

ii. Look to at least maintain the current level of events surplus and establish a series of 'calendar' events which will help increase the level of income from events.

iii. Work directly with other City Region organisations on specific projects of mutual interests. In those circumstances PL will seek to recover its own allocated costs and to use grant or other funding to help promote the organisation's objectives. Past experience and the changing public sector funding environment have influenced the organisation's approach to grant funding and it is unlikely, and perhaps undesirable, that PL should look to access public funding to support the general activity of the business.

## 5.2

**Income from subscriptions  
in 2013/14 was  
£11,000 higher than in  
the preceding year**

7.5 Forecast results for the next 3 years are shown in the table below. Cost inflation has been assumed at 3% p.a. Growth in event and subscription income is based on the assumptions in 7.4 above. The increase in “Other costs” broadly reflects the anticipated increase in activity over the period.

	2015	2016	2017
	£000	£000	£000
<b>Income</b>			
Subscriptions	83	96	110
Event income	80	83	86
	<b>163</b>	<b>179</b>	<b>196</b>
<b>Costs</b>			
Payroll costs	69	71	73
Other costs	71	74	75
	140	145	148
<b>Net surplus</b>	<b>£23</b>	<b>£34</b>	<b>£23</b>

7.5  
 Cost inflation  
 has been  
 assumed at  
 3% p.a.

## 8. PUBLIC RELATIONS AND MARKETING

8.1 The Board recognises that the achievement of the aims and objectives of the organisation requires an effective PR and marketing strategy to position PL as the 'go to' body with regard to issues affecting the PFS Sector. Appropriate resources will be made available in the Budget and the recently established Marketing and Communications Group will be strengthened.

8.2 PL's PR and marketing objectives are focused on:

- Raising the profile of PL via agreed target media to attract and retain members
- Positioning PL's figureheads as credible voices of authority within the business community
- Positioning PL events as 'go-to' and 'calendar' events for businesses in the City
- Enhancing the reputation of the PFS Sector in the City Region and nationally

8.3 These objectives will be achieved by a programme of activity which will involve:

- Creating a timeline and steady flow of brand building news for the business media and vertical sector press, resulting in coverage in target titles
- Identifying and responding to feature opportunities in key local and regional media

- Issuing press releases and provide the local business media with photo stories and captions to raise awareness of the networking events carried out by PL
- Having an active social media presence
- Issuing a bi-monthly newsletter to the PL database
- Working in partnership with the media to enhance the content promoting the PFS Sector in Liverpool City Region.

### 8.1

The Board recognises that the achievement of the aims and objectives of the organisation requires an effective PR and marketing strategy

## 9. ACTIVITIES 2014-2017

9.1 PL's programme of events and activities will be delivered both directly through a range of member events and indirectly in collaboration with a number of partner organisations in which individual members or groups of members will be involved as appropriate. The main elements of the proposed programme are summarised below:

### Member Events

- A regular series of breakfast/lunchtime events to address issues/projects of wider interest to members and provide a regular networking opportunity.
- A series of 'Professional' dinners addressed by top class speakers on issues of interest to the Sector, organised in partnership with the Universities.
- A number of more 'social events'; including the flagship 'Cannes Do' lunch, a PL Golf day, a Quiz evening, the Cheltenham Gold Cup afternoon event, an informal 'summer reception' and the annual Carol Concert.

Conscious of the desirability of more regular, two-way communication with members, PL will explore opportunities for more formal consultation and debate on issues of interest to the membership.

### Public Sector Partnerships

- PL has begun work with the LEP on a project to understand the Growth opportunities within the PFS Sector in the City Region. The project has secured support from within the sector through a short term secondment and graduate student input through the University of Liverpool Management School.
- Linked to the project mentioned above, PL will work with the LEP, the Universities and the City Council/Liverpool Vision to facilitate greater contact between PL members and these organisations.
- Following on from the International Festival for Business, PL will work with Liverpool Vision and the PFS Sector to establish appropriate legacy benefits in terms of inward investment, exports and new business relationships for the PFS Sector and the City Region, and to plan for the IFB in 2016.
- Through the Corporate Finance/Wealth Management Group, Professional Liverpool will work with Liverpool Vision to promote the City as a location for back-office functions ('Northshoring') to businesses in the City of London. The intention is to host an event at the Mansion House in October 2014, [coinciding with 'MIPIM in London'].

## Private Sector Partnerships

- To ensure complementarity and avoid duplication, PL will work with the LEP, Liverpool Vision, the Chambers of Commerce, Banks and the Funds to agree a programme of Business Finance Seminars targeted at key growth sectors and SMEs
- Jointly with Mersey Maritime, Professional Liverpool will agree a programme of business and financial support events targeted at SMEs in the Maritime Sector.
- Building on the existing links with The Lord Mayor of London's office and the relationship with MPs, PL will explore the opportunities for and benefits from further strengthening of links with the City of London/ Westminster, and whether similar benefits might flow from stronger links with similar organisations in Manchester and Birmingham.

## Universities

- Starting with the University of Liverpool and Liverpool John Moores University, Professional Liverpool will formulate a more 'formal' relationship with the Universities in the City Region which will guide how the organisations will collaborate to, inter alia;
  - Support and enhance the Events Programme outlined above.
  - Establish mechanisms which provide businesses with access to relevant expertise in the Universities
  - Provide opportunities for businesses and students to benefit from project driven placements.
  - Explore how the Universities can help meet the training and recruitment needs of businesses in the PFS Sector.
  - Facilitate mutual exchange of information about the needs and performance of the PFS Sector.
  - Provide business driven solutions to support relevant University aims and objectives.

## 10. SUMMARY

10.1 The performance of the PFS Sector is of huge importance to the economy of the Liverpool City Region, something which the 'core' infrastructure of public and private sector organisations have recognised. As the organisation which represents the PFS Sector, PL has a responsibility to support the aspirations of its members and to put itself in a position to influence and support public policy as it affects the sector, either directly or indirectly.

10.2 This document confirms the aims and objectives of PL; it sets out how the organisation will deliver benefits to members, how it will collaborate with key partner organisations and how it will manage the resources available to it. It will be shared with members and partner organisations and will be the basis against which the Board and Members will measure progress. It will also be reviewed regularly by the Board to ensure that it remains relevant.

10.3 As well as measuring achievement of the specific actions set out above, the Board has established the following KPIs:

- Number of paying members (annual)
- Total subscription income (annual)
- Average subscription level (annual)
- Total income surplus to cost base (annual)
- Ratio of Reserves to cost base (quarterly)

- Number of member events (quarterly)
- Attendance at events (quarterly)
- Member satisfaction index (annual)
- Column inch coverage in local/regional media

### 10.1

The performance of the PFS Sector is of huge importance to the economy of the Liverpool City Region, something which the 'core' infrastructure of public and private sector organisations have recognised.

