

ITEM No ...10.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 27 FEBRUARY 2017
REPORT ON: BUSINESS GATEWAY CONTRACTING
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 52-2017

1 PURPOSE OF REPORT

- 1.1 To seek Committee Approval to procure Council and European Regional Development Fund (ERDF) Business Gateway services through the appointment of ELEVATOR to deliver the service from April 2017 to March 2019 with the option to extend the contract by 3 further single years up to March 2022.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee
- a Approves the awarding of the Business Gateway Contract for the period 2017-2019 to Elevator, and
 - b Notes that the option to extend the contract for a further 3 years will be considered in the context of the Tay Cities Deal.

3 FINANCIAL IMPLICATIONS

The maximum total annual value of the contract is £1,217,317. Funding for the Business Gateway Contract is contained within City Developments Revenue Budget. In addition there are activities that will be supported by the European Regional Development Fund allocation from the Scottish Government. The annual contract value is made up of £1m from Dundee City Council and £217,317 from the European Regional Development Fund.

4 BACKGROUND

- 4.1 Dundee City Council has acted as the lead authority for the Tayside Business Gateway contract since it was transferred from Scottish Enterprise in 2008. The contract is operated on behalf of Dundee, Angus and Perth and Kinross Councils.

- 4.2 The contract is part of a Scottish national network of Business Gateway contracts. The Business Gateway Scotland Management Group supported by the Business Gateway Operational Network Group has developed a national specification for tendering of new contracts for Business Gateway.

Dundee City Council began the full OJEU tendering process in September 2016. Following 23 notes of interest 2 formal responses and full submissions were received.

- 4.3 The tenders were assessed on the basis of 70% quality and 30% price. Evaluation and scoring of the method statements received with the submissions was carried out by Dundee City Council Officers and an independent Officer from the Business Gateway National Unit. Both tenderers were then invited to present their proposals to a panel consisting of representatives from each of the 3 Tayside Local Authorities who endorsed the scoring. ELAVATOR (the current provider of Business Gateway services in this area) received the highest score and is therefore the preferred bidder.

- 4.4 The Scottish Government and COSLA have agreed 8 key principles for Business Gateway services. Local Authorities are responsible for ensuring that these are implemented. The 8 key principles are:
- 1 Local Authorities are responsible for local economic development and Business Gateway is a key element of the support they provide to businesses.
 - 2 Businesses across Scotland can expect a consistent start-up service and a consistent growth advisory service. These core services are complemented by local services, designed by local authorities responding to the needs and opportunities of their local business base.
 - 3 Business Gateway will be well integrated with other local authority services impacting on business to ensure that businesses get the information they need to set up and flourish.
 - 4 Business Gateway will ensure its services are accessible, making best use of digital technology.
 - 5 Business Gateway is a key part of the economic development landscape and will operate in a joined up way with the range of other organisations offering business support with a particular role in signposting businesses.
 - 6 Local authorities across Scotland will continue to use the Business Gateway brand within agreed guidelines.
 - 7 Business Gateway will engage with businesses and their representative organisations to ensure they are responsive to business needs.
 - 8 The governance structure and accountability of the Business Gateway will be clear and effective at the local authority level and at the national level.
- 4.5 The following table gives the annual targets detailed in the Business Gateway Contract, which will be subject to review on a yearly basis:

Annual Service Targets	Annual Units
Start-up Advisory Service	
Total number of start-up customers who have begun trading	720
Number of higher value start-up customers engaged with, (Early Stage Growth)	100
Number of start-up workshops/seminars held	110
Number of customers attending start-up workshops/seminars	800
Growth Advisory Service (start up and existing businesses)	
Number of growth customers accepted by the Lead Authority for the Growth Advisory Service	75
Number of growth customers accepted into growth pipeline relationship with SE/HIE (target minimum of 40% of above)	30
Number of growth customers accepted into account management relationship with SE/HIE	6
Number of growing business workshops/seminars held	22
Number of clients attending growing business workshops/seminars	160
BG Local Services	
Number of local networking events (minimum)	3
Number of customers accessing business sustainability assistance	10
Number of Entrepreneurial Culture Events (minimum in first two years)	1
BG ERDF Funded Services	
Number of growth customers accessing specialist Adviser support	120
Number of growth customers accessing Expert Help	20
Number of customers accessing Specialist Growth workshops	60
Number of customers supported via the Accelerated High Value Enterprise Programme	36

- 4.6 The contract will be awarded on a payment by results basis with the above targets attracting a unit cost for each output delivered.
- 4.7 The contract for the service will run from April 2017 to March 2019 with the option to extend the contract by 3 further single years up to March 2022 being considered in the context of the Tay Cities Deal.

- 4.8 European Regional Development Funding to support the Business Gateway contract is guaranteed until December 2018 when the current contract award period from Scottish Government ends. The Scottish Government has indicated that there is a strong likelihood that funding support will continue beyond this date. This matter will be monitored and the Committee will be updated in due course.

5 POLICY IMPLICATIONS

- 5.1 This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6 CONSULTATIONS

- 6.1 The Chief Executive, the Executive Director of Corporate Services and Head of Democratic and Legal Services have been consulted and are in agreement with the contents of this report.

7 BACKGROUND PAPERS

- 7.1 None

7.2

Mike Galloway
Executive Director of City Development

Gregor Hamilton
Head of Planning & Economic Development

GH/JS/JM

15 February 2017

Dundee City Council
Dundee House
Dundee