

ITEM No ...7.....

REPORT TO: CITY DEVELOPMENT COMMITTEE – 23 JANUARY 2023
REPORT ON: AWARD OF BUSINESS GATEWAY CONTRACT
REPORT BY: EXECUTIVE DIRECTOR OF CITY DEVELOPMENT
REPORT NO: 15-2023

1 PURPOSE OF REPORT

1.1 To seek committee approval to award Elevator the contract to deliver Business Gateway and Digital Boost services from April 2023 to March 2025, with the option to extend the contract by up to three additional single years until March 2028.

2 RECOMMENDATION

2.1 It is recommended that the Committee:

a Approves the awarding of services as follows:

- Lot 1 – Business Gateway and UK Shared Prosperity Fund (UKSPF) services (subject to funding from UK Government for the UKSPF element); and
- Lot 2 – Digital Boost services (subject to funding from Scottish Government).

b Delegates to the Executive Director of City Development the authority to extend the contract for up to three additional years on an annual basis in line with the terms of the tender specification.

3 FINANCIAL IMPLICATIONS

3.1 The maximum total annual value of the contract is £1,454,500. Funding for the core Business Gateway (BG) Contract is contained within City Development's Revenue Budget. In addition, there are activities that will be supported by the United Kingdom Shared Prosperity Fund (UKSPF) allocation from UK Government and Digital Boost (DB) services allocation from Scottish Government (see funding breakdown below). Digital Boost Funding and UKSPF is subject to confirmation on an annual basis by Scottish and UK Governments respectively. UKSPF funding will be allocated to the three Council areas within Tayside on an individual basis and the UKSPF funding aligned to the Business Gateway contract will be made up of equal contributions from each area.

Year	BG Core Funding	DB Funding*	UKSPF**	Total
2023/2024	£1,200,000.00	£29,500.00	£180,000.00	£1,409,500.00
2024/2025	£1,200,000.00	£29,500.00	£225,000.00	£1,454,500.00
2025/2026	£1,200,000.00	£29,500.00	£225,000.00	£1,454,500.00
2026/2027	£1,200,000.00	£29,500.00	£225,000.00	£1,454,500.00
2027/2028	£1,200,000.00	£29,500.00	£225,000.00	£1,454,500.00
Total	£6,000,000.00	£147,500.00	£1,080,000.00	£7,227,500.00

* Funding to be confirmed by Scottish Government on an annual basis

** Funding to be confirmed by UK Government

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 Following review of governance arrangements by the three partner authorities, a new Business Gateway Tayside Board is being established which will be responsible for the governance of the service. The Board shall meet twice per year. The Board will be made up of Convenors for Economic Development for Angus, Dundee and Perth & Kinross Councils along with the respective Heads of Economic Development.
- 4.3 The Tayside Business Gateway contract is part of a Scottish national network of contracts. The Business Gateway Scotland Board supported by the Business Gateway Operational Network Group has developed a national specification for tendering of contracts for Business Gateway services.
- 4.4 The main customer facing business support across Tayside is delivered via the Business Gateway which provides a range of services, including enquiry-handling/referrals, business information, business start-up advice and services to existing businesses. The Business Gateway service also has two main elements operated on a national basis. Those elements are:
- a a web service offered through www.bgateway.com. This delivers a wide range of online material, including a number of interactive services, such as diagnostic tools. The website is the main source of information and self-help diagnostic tools for customers and advisors working with them; and
 - b Business Gateway Enquiry Service (BGES) handles campaign responses, call-handling facilities and manages the research function. This service provides basic business advice to callers, and provides a research service and support for other services including local delivery service providers.
- 4.5 The Business Gateway in Tayside operates on a contracted-out basis. There are five main service elements:
- a provision of local Business Gateway locations, able to deal with locally generated services and enquiries. In Dundee, the office is located at City Quay;
 - b local delivery of one-to-many workshops and events, for start-up and existing businesses;
 - c an online booking tool operates in association with www.bgateway.com;
 - d assisting businesses to start up, particularly higher value start-up businesses to achieve growth or employ staff; and
 - e identifying both start-up businesses and existing businesses that have growth potential and helping them move through the growth advisory service/growth pipeline into the enhanced Account Managed service provided by Scottish Enterprise at a local level.
- 4.6 The Business Gateway Service in Tayside is performance managed by an Officer within City Development. Historically, the service has delivered a strong performance, meeting or surpassing all key performance targets (see Appendix 1, Table 1).
- 4.7 Dundee City Council began the full tendering process for the Business Gateway Tayside contract by publishing the Invitation to Tender on Public Contracts Scotland and the Find a

Tender service in October 2022. Following seven notes of interest, there was one submission for Lot 1 and two submissions for Lot 2.

- 4.8 The tenders were assessed based on 80% quality and 20% price. Evaluation and scoring of the method statements received with the submissions were carried out by officers from Dundee, Angus and Perth and Kinross Councils. Elevator (the current provider of Business Gateway services in this area) received a high score for Lot 1 being the only bidder and the higher score for Lot 2 and is therefore the preferred bidder.
- 4.9 The table at Appendix 1, Table 2 gives the annual targets detailed in the Business Gateway contract, which will be subject to review on an annual basis.

5 POLICY IMPLICATIONS

- 5.1 This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has not been subject to an Integrated Impact Assessment. An appropriate Senior Manager has reviewed and agreed with this assessment.

6 CONSULTATIONS

- 6.1 The Council Leadership Team were consulted in the preparation of this report.

7 BACKGROUND PAPERS

- 7.1 None.

Gregor Hamilton
Head of Planning and Economic Development

Author: Mandy McKenzie

Robin Presswood
Executive Director of City Development

Dundee City Council
Dundee House
Dundee

GH/RV/MM/KAS

4 January 2023

This page is intentionally left blank

APPENDIX 1

TABLE 1

Year	Business Start Ups		High Value/Early Stage Growth Service		Growth Advisory Service		COVID-19 Survive and Thrive Business Boost		Start Up Workshops		Growth Workshops	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2017/2018	720	779	100	100	75	98	-	-	110	136	22	23
2018/2019	720	742	100	100	75	95	-	-	110	118	22	31
2019/2020	720	720	100	100	75	102	-	-	110	117	29	22
2020/2021	500	745	50	50	42	42	210	210	50	62	12	23
2021/2022	580	700	50	50	50	50	154	154	50	67	12	12
Total	3240	3686	400	400	317	387	364	364	430	500	97	111

TABLE 2

Minimum Annual Service Targets For Tayside	Unit
Start-up Advisory Service	
Total number of start-up customers who have begun trading	675
Number of higher value start-up customers engaged with, (Early stage Growth)	55
Number of start-up workshops/seminars held	40
Number of customers attending start-up workshops/seminars	300
Growth Advisory Service (start up and existing businesses)	
Number of growth customers accepted by the Lead Authority for the Growth Advisory Service	60
Number of growing business workshops/seminars held	12
Number of clients attending growing business workshops/seminars	90
BG Local Services	
Number of local and networking events (minimum)	12
Number of growth customers accepted by the Lead Authority for the Business Boost service	160
Number of Expert Help days delivered	120
Number of Entrepreneurial Culture awareness raising event/conferences (minimum in first two years)	1
BG UKSPF Funded Services	
Number of growth customers accessing Community Adviser Outreach support	150
Number of UKSPF additional Expert Help days delivered	30
Number of Specialist Growth workshops and Masterclasses delivered	12
<i>NB: Targets in bold also act as contract payment trigger point.</i>	