

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER – JOBS, ECONOMY AND
TRANSPORT**

3 December 2013

Report of the Acting Strategic Director – Environmental Services

**GLOBAL DERBYSHIRE SMALL BUSINESS SUPPORT
PROGRAMME - RESOURCES**

(1) **Purpose of the Report** To seek the Cabinet Member's approval for the contracting of resources to support the management of the Derbyshire Economic Partnership (DEP) Global Derbyshire Small Business Support Programme.

(2) **Information and Analysis** The Regional Growth Fund (RGF) is a £3.2bn fund established in 2011 to help create private sector jobs throughout England. RGF supports projects and programmes that are using private sector investment to create economic growth and sustainable employment. The DEP Global Derbyshire Small Business Support Programme was submitted for consideration in early March 2013, through RGF Round 4, and was successful in securing conditional approval for £3m.

Delivered through DEP, the programme will provide grant support of up to 50% to Micro-enterprises/Small to Medium-size Enterprises (SMEs) (companies employing less than 250) in Derbyshire seeking to grow, collaborate, innovate and export whilst creating new employment for local people and attracting inward investment. The objective is to ensure Derbyshire businesses are equipped to access, compete and thrive in the global economy and is delivered across four strands:

- Start-Up Support.
- Business Innovation and Development (including Supply Chain Collaboration).
- Delivering Digital Derbyshire.
- Export Promotion.

In September 2013, Cabinet gave approval for the County Council to act as Accountable Body and Managing Agent for the programme and committed £70,000 revenue match funding to support programme delivery (Minute No. 225/13 refers).

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Since September, County Council and DEP officers, led by the Head of Economic Regeneration, have been undertaking the necessary due diligence with Government officials to ensure the programme complies with RGF requirements. Following this process, the County Council has now received a Final Offer letter securing the £3m funding award and the programme was subsequently launched on 29 November 2013.

The approved Scheme Delivery Plan and Investment Appraisal Manual sets out how the programme will operate and includes key elements of effective management including project appraisal and programme monitoring and governance arrangements including the establishment of an Investment Panel reporting to the DEP Board. To enable effective management, the programme includes a budget of £105,000 including the match funding committed by the County Council. The revenue budget will support staff costs incurred in the delivery of the programme including professional fees, marketing and publicity and external technical support.

The original RGF submission identified the requirement to employ a dedicated post to support County Council and DEP officers with day to day programme management and oversee compliance with the offer letter at both scheme and individual project level. It is proposed that the post will be recruited on a fixed term contract basis until 31 March 2015 (the financial completion date of the scheme).

In addition, as part of the due diligence process, the operational review identified the need to engage specialist external support on a contract basis to:

- provide independent business and financial analysis and due diligence of project applications to ensure viability and fit to programme (including consideration of state aid);
- undertake full project appraisal of applications as set out within the Investment Appraisal Manual and in line with Treasury Green Book principles;
- provide support and advice to the Investment Panel when required, including the presentation of appraisal findings and recommendations;
- undertake any remedial work with an applicant as directed by the Investment Panel and programme team; and
- provide additional capacity to support the programme team during periods of high demand.

As a result, an open tender has been advertised via Source Derbyshire to secure the appropriate technical support services required and, subject to appropriate tender appraisal and interview, it is proposed to contract the approved supplier as soon as possible.

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(3) **Financial Considerations** Salary costs for the Business Services Assistant will be at Grade 7 (£18,615-£20,300) which equates to £24,013-£26,187 per annum including on-costs. Any redundancy liability is an eligible cost to the RGF.

All funding for the Business Services Assistant post and external specialist support will be met from the RGF fund.

The tender for external specialist support will be contracted on a draw down basis as and when required subject to the demands of the programme and applicants have been requested to propose a schedule of fee rates fixed for the duration of the contract. As such, there will not be a fixed cost for this element of support but based upon project demand, it is expected that the final value of the contract will be in the range of £40,000 - £70,000.

(4) **Human Resources Considerations** A Business Services Assistant Scale 7 will be recruited on a fixed term contract basis until 31 March 2015, using an existing job and person profile. The post will be advertised internally in accordance with the Council's recruitment and selection procedures.

In preparing this report the relevance of the following factors has been considered: legal, prevention of crime and disorder, equality and diversity, environmental, health, property and transport considerations.

(5) **Key Decision** No.

(6) **Call-In** Is it required that call-in be waived in respect of the decisions proposed in the report? No.

(7) **Background Papers** All supporting documentation relevant to the report is held by the Economic Regeneration service. Officer contact details – Frank Horsley, extension 38348.

(8) **OFFICER'S RECOMMENDATIONS** That the Cabinet Member:

8.1 Approves the recruitment of a Grade 7 Business Support Assistant for the Global Derbyshire Small Business Support Programme on a fixed term basis until 31 March 2015.

8.2 Approves the contracting of specialist external support to the programme subject to procurement up to a value of £70,000.

Mike Ashworth
Acting Strategic Director – Environmental Services