

Agenda Item No.3

DERBYSHIRE COUNTY COUNCIL

**MEETING OF CABINET MEMBER - STRATEGIC POLICY, ECONOMIC
DEVELOPMENT AND BUDGET**

20 September 2016

Report of the Strategic Director – Economy, Transport and Communities

D2 BUSINESS ADVICE GROWTH SERVICE

(1) **Purpose of Report** To seek the Cabinet Member's approval to contract with an external provider to manage the delivery, financial reporting and monitoring of the D2 (Derby and Derbyshire) Business Advice Growth Service (D2BAGS) and authorise the Council to enter into a Collaboration Agreement with Nottingham City Council (the accountable body) to deliver the D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire) Growth Hub project.

(2) **Information and Analysis** At the Cabinet Member meeting on 3 November 2015, approval was given to provide a total of £36,000 match funding over three years towards the delivery of the "D2N2 Growth Hub" project (Minute No. 49/15 refers). The confirmation of match funding from all delivery partners enabled full application to be submitted for funding through the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) European Structural and Investment Fund (ESIF) as part of the European Regional Development Fund (ERDF) Priority Axis 3 strand (Enhancing the Competitiveness of Small and Medium Sized Enterprises (SMEs)).

Following appraisal, the project was approved by the Department for Communities and Local Government (DCLG) on 23 May 2016 with a full project cost of £2,545,164 (50% of which was approved to be funded by ERDF). The applicant and lead partner for the project is Nottingham City Council, working alongside D2N2 LEP (Local Enterprise Partnership), East Midlands Chamber, Chesterfield Borough Council, Derbyshire Dales District Council, High Peak Borough Council, Nottinghamshire County Council and Derbyshire County Council.

The Growth Hub Project

Originally established in December 2014 with the purpose of increasing the uptake of business services and using intelligence gained from increased interaction with businesses to identify future needs, the current ERDF project builds on the early development of the D2N2 Growth Hub by providing two distinct levels of business support:

1. Front Line Growth Hub “focal point/referral” service which:
 - Offers a “one-stop shop” for businesses to access support through a comprehensive website and a help line.
 - Co-ordinates pre-start/start up activity via the national helpline.
 - Promotes the benefits of using business services through outreach/engagement activities.
 - Works with the public and private sectors to find ways of appropriately filling gaps in support.
2. Enhanced Local Services: additional local initiatives addressing gaps in business support provision provided or commissioned by local partners to meet specific local needs (e.g. low productivity, rurality). It will also allow greater proactivity in business engagement in the areas where these enhancements are implemented.

D2 Business Advice Growth Service (D2BAGS)

The Council match funding is being utilised to deliver the enhanced local services element of the Growth Hub through the commissioning of business support services in Derbyshire; these services are aimed at meeting specific local needs not met by existing provision. A total funding package of £72,000 will enable the delivery of the commissioned D2BAGS over the next three years, commencing in October 2016.

Project specification for the provision of services to manage the delivery, financial reporting and monitoring of D2BAGS was advertised on Source Derbyshire and managed via the Council's eTendering system, Due North. Thirty seven companies downloaded the tender documentation and the Council received tender responses from NBV Enterprise Solutions Ltd and Wallis Training and Consultancy Ltd.

Following evaluation of the bids against the award criterion of Commercial questionnaire - Pass/Fail; Specification/Response to scope (Technical) - 70%; Price - 20% and Presentation – 10% NBV Enterprise Solutions Ltd obtained the highest overall score.

In summary, the successful supplier will provide the following:

- A key account management role with SMEs across Derbyshire, acting as a liaison and referral point for the Growth Hub.
- Business support following an initial start-up phase to enable businesses to grow and access further mainstream support available nationally or via the Growth Hub.
- Support to SMEs to access new sources of funding either commercially or via national and EU programmes.

- Managing interface with Sheffield City Region (SCR) Growth Hub ensuring there is no overlap and that there is an effective referral process in place that benefits Derbyshire businesses.

It is anticipated the D2BAGS will deliver, as a minimum, the following outputs:

- Number of enterprises supported – 34
- Employment increase (new jobs) – 66
- Number of enterprises receiving information, diagnosis and brokerage – 150.

The successful supplier will be expected to manage and monitor all records relating to the project in line with EU funding regulations. D2BAGS will report directly to the D2N2 Growth Hub Project Board. In addition, regular reports will be provided to the Derbyshire Economic Partnership (DEP) in its role of co-ordinating and developing business support activity across the county.

(3) **Financial Considerations** The total budget for the D2BAGS is £72,000 which consists of 50% ERDF and 50% the approved Council match funding. In line with the previous approval (£36,000), Council funding has been allocated for the three years of the project from the Economy and Regeneration budget

(4) **Legal Considerations** D2BAGS has been procured competitively via Source Derbyshire and will be contracted in line with the Council's Financial and Procurement Regulations. The service will form part of the larger D2N2 Growth Hub ERDF project which is being managed by Nottingham City Council as accountable body. A draft Collaboration Agreement has been provided by Nottingham City Council which sets out partner responsibilities in line with the ESIF contract (currently being finalised with DCLG). The Director of Legal Services has been involved in reviewing the content of the Collaboration Agreement.

(5) **Social Value Considerations** This project is specifically targeted at supporting Derbyshire businesses to expand and become more sustainable. The social value contribution to the local economy (66 new jobs) is considerable and has the potential to support new opportunities for the local labour market.

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

(6) **Key Decision** No.

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

(8) **Background Papers** Held on file within the Economic Regeneration Service of the Economy, Transport and Communities Department. Officer contact details – Frank Horsley, extension 38348.

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

- 9.1 Notes the continued development of the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) Growth Hub model and confirmed spend of Derbyshire County Council's match funding.
- 9.2 Approves the award of a contract to NBV Enterprise Solutions Ltd to manage the delivery, financial reporting and monitoring of the D2 (Derby and Derbyshire) Business Advice Growth Service (D2BAGS) for years 2016-17 to 2019 at a cost of £72,000.
- 9.3 Authorises entering into a Collaboration Agreement with Nottingham City Council (the accountable body) to deliver the D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire) Growth Hub project.

Mike Ashworth
Strategic Director – Economy, Transport and Communities