

Finance and Resources Committee

10.00am, Thursday, 11 October 2018

Award of One to Many Core Workshops Framework

Item number	8.2
Report number	
Executive/routine	Routine
Wards	All
Council Commitments	

Executive Summary

This report seeks the approval of the Finance and Resources Committee to award a framework for the provision of Business Gateway core workshops. It is recommended that four providers are awarded onto the framework over four lots.

The duration of the framework shall be for a period of two years, with the option to extend for up to a further two years, at 12-month intervals.

Over the four-year duration the total estimated value of the contracts awarded under the framework agreement is £1,518,150. One to Many Core Workshops (Lot One) is funded by the Council as part of the Business Gateway programme in Edinburgh and Lothian; Digital Boost (Lot Two) is fully funded by a grant from the Scottish Government administered through COSLA. The Council obtains funding of 40% for both European Regional Development Fund (ERDF) – Specialist Business Support (Lot Three) and Women in Business (Lot Four) from the Scottish Government.

The net cost to the Council for delivery of the framework, after block grant and grant funding, is £118,192.

Award of One to Many Core Workshops Framework

1. Recommendations

- 1.1 That the Finance and Resources Committee approves the establishment of the One to Many Core Workshops Framework and the award four providers over the four lots as listed at Appendix 2.
- 1.2 The framework agreement shall commence on 1 November 2018 for a period of two years, with the option to extend for up to a further two years, at 12-month intervals.
- 1.3 Over the four-year duration the total estimated value of the contracts awarded under the framework agreement is £1,518,150. The net cost to the Council for delivery of the framework is £118,192.

2. Background

- 2.1 Business Gateway is the main government funded service providing information, advisory services and guidance across Scotland to individuals starting up in or growing a business.
- 2.2 In their respective local areas, Scottish Local Authorities are responsible for the delivery of Business Gateway. Lead Local Authorities are appointed to ensure the management and delivery of services are efficient and achieve value for money. The City of Edinburgh Council is the Lead Local Authority for East Lothian Council, Midlothian Council and West Lothian Council.
- 2.3 In addition to the funding received for One to Many Workshops, Business Gateway obtain funding from the Scottish Government to deliver a Digital Boost programme to small and medium sized enterprises (SMEs). Additionally, the Scottish Government have also committed to extending funding for the current European Regional Development Fund (ERDF).

3. Main report

- 3.1 The Council, in collaboration with East Lothian Council, Midlothian Council and West Lothian Council undertook the procurement for the framework.
- 3.2 The framework provides a range of specialist training which aligns with the Scottish Government 4i strategy work stream of inclusive growth. Horizontal themes such as

Women in Business, Black and Ethnic Minority, Young People, over 50s and Disability shall be delivered as part of the framework through the following lots: -

- Lot One – One to Many Core Workshops – delivery of general business start-up and early stage growth workshops to SMEs in Edinburgh and Lothian region.
- Lot Two – Digital Boost – delivery of digital workshops and one-to-one expert help to SMEs in Edinburgh and Lothian region.
- Lot Three - European Regional Development Fund (ERDF) – specialist business support – delivery of a growth programme to support Edinburgh SMEs aiming to grow their business and trade internationally.
- Lot Four – Women in Business (ERDF – Phase 3) – delivery of a programme to support women led businesses in Edinburgh to recognise their business potential and explore new markets.

3.3 Lot One and Two shall be delivered across the following four Local Authorities:

- The City of Edinburgh Council;
- East Lothian Council;
- Midlothian Council; and
- West Lothian Council.

3.4 Lot Three and Four are specific to the Council.

3.5 The Council undertook an Open Procedure procurement in accordance with the Public Contracts (Scotland) 2015 Regulations. A cost quality ratio of 40:60 was applied. This ratio was determined as a result of market evidence suggesting that low cost significantly impacted upon the quality of service, as a result quality was allocated the higher ratio weighting.

3.6 A total of 34 potential providers registered interest, with eight submissions, from four providers, received before the deadline. Lot One received two submissions, Lot Two received three and Lot Three received two. Lot Four received one submission; the lack of submissions may be attributed to the lack of specialism in the marketplace for the delivery of a programme to support women led businesses in Edinburgh.

3.7 As a ranked framework it is recommended that two suppliers are awarded onto Lot One, three suppliers are awarded onto Lot Two, two suppliers are awarded onto Lot Three and one supplier is awarded onto Lot Four. The Council shall allocate business to the highest ranked provider. If at any point during the contract the provider declines business or does not have capacity, the next ranked provider shall be awarded the business and so on.

3.8 The framework agreement will be managed by the Council's Business Gateway Manager.

3.9 It is anticipated that the framework shall commence on 1st November 2018 and will be active for a period of two years, with the option to extend for a further duration of 24 months, reviewed at 12-month intervals, at the sole direction of the Council.

4. Measures of success

- 4.1 The services delivered through the framework allow inclusive, measurable, and sustainable stimulation of the Scottish economy that contributes to the Scottish Government's National Performance Framework Measurement Set and Purpose Targets, as follows:
- Improve Scotland's Prosperity;
 - Increase the number of Businesses.
- 4.2 Business Gateway provides an important role in promoting an entrepreneurial culture within Scotland and stimulating awareness of, and demand for, business support services among Scotland's business base. Business Gateway makes a significant contribution towards the Government's overall purpose of increasing sustainable economic growth in Scotland. Likewise, it has a role in contributing towards the Government's commitment to maintaining and investing in a supportive business environment.
- 4.3 Digital technology is transforming the way the micro business sector operates. The Digital Boost Programme (Lot Two) provides value through strengthen the digital technology knowledge and skills of SMEs in Scotland, whilst reducing barriers to new markets and facilitating international trade and increased business efficiencies.
- 4.4 The ERDF funded specialist service (Lot Three) reflects the Scottish Government's Economic Strategy. The four key points of this Strategy; Investment, Innovation, Internationalisation and Inclusive Growth underpin the methodology for the delivery of the service. The ERDF specialist service complements the core Business Gateway activity but is specifically for micro businesses that are aiming to grow or identified as growing.
- 4.5 The Scottish Government report on Enterprise and Business for Phase 2 of the Enterprise and Skills Review highlighted gender as a key area of focus; it was stated that "in order to achieve sustained transformative change, additional activity [was] required short-to-medium term to remove the barriers, real or perceived, which hinder female-led growth". The establishment of a gender specific Women in Business Programme (Lot Four) shall support women to realise their growth potential and provide direct links into key partnership organisations, whilst addressing the key issues women face when entering and growing in business.
- 4.6 It is anticipated that through the implementation of this framework the number of start-up businesses within Edinburgh and the Lothian's should increase.

5. Financial impact

- 5.1 One to Many Core Workshops (Lot One) and Digital Boost (Lot Two) are both funded by the Scottish Government through block grant and project grant funding.

- 5.2 The Council obtains funding of 40% for both ERDF (Lot Three) and Women in Business (Lot Four) from the Scottish Government.
- 5.3 The total value for the four-year duration of the contract is £1,518,150. Taking account of funding received and offsetting the management fee obtained the net cost to the Council for the full contract term is £118,192.
- 5.4 Prices are fixed for the duration of the contract.
- 5.5 The costs associated with procuring this framework are estimated at up to £10,000.

6. Risk, policy, compliance and governance impact

- 6.1 The Equality and Diversity Policy was identified for consideration with regard to implementation of contracts from the framework. An Equalities and Rights Impact Assessment was conducted by the service area. The outcome of which is summarised in section seven of this report.
- 6.2 The policy rationale for Business Gateway is that it addresses two key market failures:
 - Inefficiencies in the market for information on business start-up and growth – including how to access business support; and
 - Inefficiencies in the market for business support. In the markets served by Business Gateway, the level of commercially-provided advisory support from the private sector is not sufficient to address Scotland's low business birth-rate and the lack of business growth.
- 6.3 The framework recommended to be awarded is compliant with procurement regulations and the Council's Contract Standing Orders. The risk of legal challenge relating to contractual arrangements for the provision of this service is thereby reduced.

7. Equalities impact

- 7.1 An Equalities and Rights Impact Assessment (ERIA) has been undertaken for this provision. No key impacts were identified.
- 7.2 The following opportunities to enhance and foster relations were identified:
 - Data was analysed from the current equalities monitoring of the core business support service. Information indicated that a broad range of service users are representative of the population of the City of Edinburgh. Workshop location is reviewed regularly to ensure easy access across the city, and that minority groups are accessing the service;
 - The service has been designed to ensure free access for all citizens of the City of Edinburgh. Equalities monitoring and monitoring of protected characteristics

of service users will take place as part of the service to ensure prejudice is tackled and promote understanding.

7.3 The ERIA has been logged with the ERIA team.

8. Sustainability impact

Sustainability

- 8.1 There are no impacts on carbon and adaptation to climate change arising directly from this report.
- 8.2 Business Gateway makes a significant contribution towards the Government's overall purpose of increasing sustainable economic growth in Scotland.

Community Benefits

- 8.3 The Council aims to maximise the social, economic and environmental benefits from its procurements (known as 'Community Benefits') by incorporating Community Benefit Clauses within its contracts. Community Benefits shall be delivered through contracts established from this framework.

9. Consultation and engagement

- 9.1 The current workshop catalogue has been formed by monitoring customer feedback, current trends, feedback and legislation relating to SMEs. The Business Gateway National Unit conduct quarterly customer satisfaction surveys using an independent company, this feedback is used to identify areas of good practice and identify where improvement could be made.
- 9.2 Business Gateway Edinburgh Lothian have an operational management group and senior management board, with representation from each local authority. The operational group meet on a six-weekly basis and regularly review workshop attendance and customer feedback. This information is fed into the management board. The outcome of which has shaped the new service provision.

10. Background reading/external references

- 10.1 N/A

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11. Appendices

Appendix 1 – Summary of Tendering and Tender Evaluation Processes

Contract	One to Many Core Workshops Framework
Contract period (including any extensions)	48 months (2+1+1)
Contract value	£588,000
EU Procedure chosen	Open
Tenders Returned	2
Recommended suppliers	The Roberts Partnership Edinburgh Chamber of Commerce
Primary criterion	Most economically advantageous tender to have met the ESPD minimum standards and technical specification of Place
Evaluation criteria and weightings	60% Quality 40% Price Understanding Project Requirements – 20% Proposed Methodology for Planning the Delivery of the Service – 25% The Approach to Delivering the Service – 20% Contract Management and Performance Management – 10% Business Continuity - 10% Equalities – 5% Fair Work Practices – 5% Community Benefits – 5%
Evaluation team	Evaluation team consists of council officers from the City of Edinburgh Council, West Lothian Council and East Lothian Council

Contract	Digital Boost
Contract period (including any extensions)	48 months (2+1+1)
Contract Value	£659,830

EU Procedure chosen	Open
Recommended suppliers	The Roberts Partnership STEP Targeting Innovation Limited
Tenderers returned	3
Primary criterion	Most economically advantageous tender to have met the ESPD minimum standards and technical specification of Place.
Evaluation criteria and weightings	60% Quality 40% Price Understanding Project Requirements – 20% Proposed Methodology for Planning the Delivery of the Service – 25% The Approach to Delivering the Service – 20% Contract Management and Performance Management – 10% Business Continuity - 10% Equalities – 5% Fair Work Practices – 5% Community Benefits – 5%
Evaluation team	Evaluation team consists of council officers from the City of Edinburgh Council, West Lothian Council and East Lothian Council

Contract	European Regional Development Fund (ERDF) – Specialist Business Support
Contract period (including any extensions)	48 months (2+1+1)
Contract value	£190,320
EU Procedure chosen	Open
Tenders returned	2
Recommended suppliers	The Roberts Partnership STEP
Primary criterion	Most economically advantageous tender to have met the ESPD minimum standards and technical specification of Place
Evaluation criteria and	60% Quality 40% Price

weightings	<p>Understanding Project Requirements – 15%</p> <p>Proposed Methodology for Planning the Delivery of the Service – 25%</p> <p>The Approach to Delivering the Service – 15%</p> <p>Continuous Improvement and Innovation – 15%</p> <p>Contract Management and Performance Management – 10%</p> <p>Business Continuity - 5%</p> <p>Equalities – 5%</p> <p>Fair Work Practices – 5%</p> <p>Community Benefits – 5%</p>
Evaluation Team	Evaluation team consists of council officers from the City of Edinburgh Council, West Lothian Council and East Lothian Council

Contract	Woman in Business
Contract period (including any extensions)	48 months (2+1+1)
Contract value	£80,000
EU Procedure chosen	Open
Tenders returned	1
Recommended supplier	The Roberts Partnership
Primary criterion	Most economically advantageous tender to have met the ESPD minimum standards and technical specification of Place
Evaluation criteria and weightings	<p>60% Quality 40% Price</p> <p>Most Economically Advantageous Tender (MEAT)</p> <p>Understanding Project Requirements – 15%</p> <p>Proposed Methodology for Planning the Delivery of the Service – 25%</p> <p>The Approach to Delivering the Service – 15%</p> <p>Continuous Improvement and Innovation – 15%</p> <p>Contract Management and Performance Management – 10%</p> <p>Business Continuity - 5%</p> <p>Equalities – 5%</p> <p>Fair Work Practices – 5%</p>

	Community Benefits – 5%
Evaluation team	Evaluation team consists of council officers from the City of Edinburgh Council, West Lothian Council and East Lothian Council

Appendix 2 – Recommended Providers

One to Many Core Workshops Framework

Lot One

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
The Roberts Partnership Ltd	34.90	57.75	92.65	1
Edinburgh Chamber of Commerce	40.00	27.00	67.00	2

One to Many Core Workshops Framework

Lot Two

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
The Roberts Partnership Ltd	40.00	54.75	94.75	1
Targeting Innovation Limited	40.00	33.75	73.75	2
STEP Scotland	40.00	31.50	71.50	3

One to Many Core Workshops Framework

Lot Three

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
The Roberts Partnership Ltd	22.74	54.75	77.49	1
STEP Scotland	40.00	36.00	76.00	2

One to Many Core Workshops Framework

Lot Four

Tenderer	Price Score	Quality Score	Overall Tender	Overall Rank
The Roberts Partnership Ltd	<i>One submission was received for Lot Four. The submission was reviewed and deemed as compliant with both the mandatory criteria and the specification.</i>			1