

**ANGUS COUNCIL**

**POLICY AND RESOURCES COMMITTEE – 2 MAY 2023**

**BUSINESS GATEWAY TAYSIDE CONTRACT UPDATE**

**REPORT BY ALISON SMITH,  
DIRECTOR OF VIBRANT COMMUNITIES & SUSTAINABLE GROWTH**

**ABSTRACT**

This report informs members of the award of the contract by Dundee City Council to Elevator to deliver Business Gateway Tayside and Digital Boost services (the latter subject to funding from Scottish Government) from April 2023 to March 2025, with the option to extend the contract by up to three additional single years until March 2028, on behalf of Dundee City Council, Angus Council and Perth and Kinross Council.

**1. RECOMMENDATION(S)**

It is recommended that the Committee:

- a. Notes the award of a contract by Dundee City Council, as the lead authority for the Tayside Business Gateway, for delivery of the following services in Tayside:
  - Lot 1 – Business Gateway and UK Shared Prosperity Fund (UKSPF) services (subject to funding from UK Government and approval from each of the three partner local authorities for the UKSPF element); and
  - Lot 2 – Digital Boost services (subject to confirmation of any future funding) as outlined in para 4.2
- b. Notes that contract can be extended for up to three additional years on an annual basis in line with the terms of the tender specification.

**2. ALIGNMENT TO THE COUNCIL PLAN**

- 2.1 This report contributes to the following priorities contained within the Angus Council Plan 2023 – 2028:

**Caring for the Economy:**

- We will support businesses to grow and invest in Angus through our employment land and commercial property.
- We will be more commercial in our approach to contracts and support growth of business locally whenever possible through a \*community wealth building approach.

**3. BACKGROUND**

- 3.1 The Business Gateway Tayside 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.

- 3.2 Business Gateway Tayside is the main customer facing business support across Tayside providing 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](http://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.
- 3.3 Business Gateway 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;
  - 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](http://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.
- 3.4 Dundee City Council act as the lead authority for the Business Gateway Tayside contract since it was transferred from Scottish Enterprise in 2008. The contract is operated on behalf of Dundee, Angus and Perth and Kinross Councils. The service is performance managed by an Officer in Dundee City Council. The Business Gateway Tayside service has always delivered a strong performance, meeting or surpassing all key performance targets (see Appendix 1, Table 1).
- 3.5 In 2022 (Report 88/22) a review of governance arrangements by the three partner authorities was undertaken and agreed and a new Business Gateway Tayside Board is being established which will be responsible for the governance of the service. A Memorandum of Understanding between partners has been updated and signed. The Board shall meet twice per year. The Board will be made up of Convenors for Economic Development (Communities) for Angus, Dundee and Perth & Kinross Councils along with the respective Managers of Economic Development. A decision on the Angus Council representative will be made by Angus Council on 11 May 2023.

## **4 CURRENT POSITION**

- 4.1 The previous contract for delivery of Business Gateway Services in Tayside delivered by Elevator was due to complete on 31 March 2022. In light of an ongoing national review of Business Gateway services, a Modification Notice was published by Dundee City Council on Public Contracts Scotland in December 2021 advising of the intention to extend the current contract by one year from 1 April 2022. Once the findings of the national review were concluded a full procurement exercise was undertaken with a view to letting a new longer-term contract from April 2023 onward that takes cognisance of any changes to the national specification for Business Gateway services.
- 4.2 Dundee City Council began the full tendering process for the Business Gateway Tayside contract by publishing the Invitation to Tender on Public Contracts Scotland in October 2022. Following seven notes of interest, there was one submission for Lot 1 and two submissions for Lot 2. The approach to UKSPF sought to maximise the potential of regional working. As part of regional discussions regarding the UKSPF Investment Plans it was agreed that there would be merit in working on specific areas in line with the relevant intervention areas. A proposal was put forward across the 3 Council areas to further enhance the scope of work through Business Gateway as a means of tackling new areas and maximising the use of available resource. The initial proposal was refined following feedback and given timescales agreement to incorporate into the tender.
- 4.3 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 Tayside services i) received a high score for Lot 1 following evaluation and had the higher score for Lot 2 and is therefore the preferred bidder for both Lots.
- 4.4 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.

- 4.5 Following approval of Report no 46/23 (Item 5h) and the need to make savings in Economic Development, it is anticipated that there will be a change to the way support is delivered to businesses in Angus. Whilst a service review of the structure is required, it is recognised that Angus Council will need to make more of the services delivered through the Business Gateway Tayside contract, Scottish Enterprise and signposting to other pertinent business support agencies. The services provided through this contract will remain a key delivery method of business support services within Angus.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The maximum total annual value of the contract is up to £1,454,500. Funding for the core Business Gateway Tayside contract of £1,200,000 is managed by Dundee City Council. In addition, it is proposed that an allocation from each of the three partner local authorities' allocation of the United Kingdom Shared Prosperity Fund (UKSPF) from UK Government will be used to support an additional Outreach Advisor, Expert Help and Growth workshops in each Local Authority area (subject to confirmation of funding by UK Government and from within each Local Authority) . There may also be a 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 has been 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.
- 5.2 Lot 2- Digital Boost – this programme contributes towards several of the high-level objectives set out in Scotland's Digital Future:
- Strengthening the breadth and depth of support offered to companies of all sizes;
  - Extending the reach of support for digital projects, concentrating on building skills and capabilities that increase digital maturity in SME's.

This service gives direct assistance to businesses (across Scotland) with support and consultancy to raise their skills and knowledge levels, so they adopt and optimise the use of digital technology. The intention is NOT to execute tasks for clients, rather to give them the knowledge and skills to know what to do.

- 5.3 Lot 2 – Digital Boost was added into the tender documentation and was subject to Scottish Government approval of this funding. Dundee City Council confirmed on 30 March 2023 that no funding has been allocated for the Digital Boost programme from Scottish Government for 2023/24. Digital Boost resources are still available on the Business Gateway website however (<https://www.bgateway.com/resources/digitalboost>).

Year	BG Core Funding	DB Funding	UKSPF*	Total
2023/2024	£1,200,000.00	£0	£180,000.00	£1,380,000.00
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	£118,000.00	£1,080,000.00	£7,198,000.00

\* Funding to be confirmed by UK Government and from within each Local Authority.

## 6. CONSULTATION

The Director of Finance and Legal and Democratic Services have been consulted in the preparation of this report.

## 7. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment has been carried out and only a screening EIA is required which is contained within Appendix 2

**NOTE:** The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

Report No 88/22 – Business Gateway Tayside: Performance and Governance Update – 8<sup>th</sup> March 2022  
Report No 46/23 – Proposed Budgets for the Vibrant Communities and Sustainable Growth Directorate – 2<sup>nd</sup> March 2023

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Appendix 1 - TABLE 1 – ANNUAL KEY PERFORMANCE TARGETS

Appendix 2 – EIA Screening

## APPENDIX 1

**TABLE 1 – ANNUAL KEY PERFORMANCE TARGETS**

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
<b>2017/2018</b>	720	779	100	100	75	98	-	-	110	136	22	23
<b>2018/2019</b>	720	742	100	100	75	95	-	-	110	118	22	31
<b>2019/2020</b>	720	720	100	100	75	102	-	-	110	117	29	22
<b>2020/2021</b>	500	745	50	50	42	42	210	210	50	62	12	23
<b>2021/2022</b>	580	700	50	50	50	50	154	154	50	67	12	12
<b>Total</b>	<b>3240</b>	<b>3686</b>	<b>400</b>	<b>400</b>	<b>317</b>	<b>387</b>	<b>364</b>	<b>364</b>	<b>430</b>	<b>500</b>	<b>97</b>	<b>111</b>

**Notes:**

Business Start Ups

The Start-Up Advisory Service covers pre-start, start-up and Early Stage Growth (ESG) support for new businesses. Services will include:

- start-up guidance and information provided via the website and the Enquiry Service;
- one-to-many training workshops/webinars (based on a core catalogue of workshops/webinars specified in the Business Gateway Programme Rules); and
- one-to-one advisory services provided by Business Gateway advisers.

High Value / Early Stage Growth Service

Early Stage Growth (ESG) clients are start-up clients or businesses which have been trading for less than eighteen months, and plan to create additional jobs in their local economy. This service will provide one-to-one advisory services will be focussed on those High Value / Early Stage Growth start-ups which are capable, with the support of Business Gateway, of achieving stronger rates of growth.

Growth Advisory Service

(GAS) businesses projecting increase in turnover of £200k+ over next three years will be provided access to an experienced adviser and the option of external consultants to work with the business to achieve specific goals through the implementation of an action plan. Those goals are not limited to growing the business and applications are welcomed from businesses working to meet wider social and environmental ambitions.

#### COVID 19 Survive & Thrive Business Boost

Covid Survive and Thrive. Designed in April 2020 as a flexible, locally orientated response to businesses affected by COVID crisis. Business Gateway intended this as the “front door” to access support in order to minimise market confusion and deliver rapid response. Business Boost is a locally designed service which allows businesses to access a minimum of 7 hours support to help them grow or provide support and advice when in difficulty.

#### Start Up Workshops

Free workshops/webinars are a key Business Gateway service which enables large numbers of customers to access information and training on important business topics. This covers a number of free services which Business Gateway provides to customers in group settings in local areas, including workshops, events, and masterclasses. This service also includes a programme of national webinars. These workshops are often the first point of engagement that customers have with the Business Gateway service, provide a valuable service to customers, and provide local areas with a pool of prospective customers who could potentially access and benefit from additional services.

All individuals and businesses based within a Local Authority area of operation may access any Business Gateway workshop free of charge. Most ‘first point’ contact from customers interested in accessing workshops will come via the Events section of Business Gateway website, the BG Enquiry Service, or by a direct enquiry at a local Business Gateway office.

#### Growth Workshops

This service will provide specialist advisory support to growth businesses who do not meet the criteria for Enterprise Agency Support. This service will consist of half to one day workshops on topics supporting business growth, including for example:

Marketing/selling skills, Pitching to investors/customers etc., Business efficiency, Financing growth, Strategies for growth, Developing and managing staff, Securing contracts and procurement and Growth and leadership for women in business.

**TABLE 2 – ANNUAL TARGETS WITHIN BUSINESS GATEWAY CONTRACT**

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