

**NORTH LANARKSHIRE COUNCIL  
REPORT**

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| To: POLICY & RESOURCES<br>(REGENERATION &<br>INFRASTRUCTURE) SUB COMMITTEE |              | Subject: Extension to Lanarkshire<br>Business Gateway Contract |
| From: HEAD OF PLANNING & REGENERATION                                      |              |  |
| Date: 5 September 2013   | Ref: 1730/YW |  |

**1. Purpose of Report**

- 1.1 The purpose of this report is to seek homologation of the decision taken by the Convenor of Policy and Resources (Regeneration and Infrastructure) Sub-Committee and the Executive Director of Corporate Services to extend the value of the Lanarkshire Business Gateway Contract through negotiated procedure.

**2. Lanarkshire Business Gateway Contract**

- 2.1 A report was submitted to the September 2012 Policy and Resources (Regeneration and Infrastructure) Sub-Committee regarding the award of the Lanarkshire Business Gateway contract.
- 2.2 Following an OJEU award process, this tender was awarded to Lanarkshire Enterprise Services Ltd for a 3-year period with an option to extend for 2 further 1-year periods. Although there were 3 PQQs received of which 2 were invited to tender, only Lanarkshire Enterprise Services Ltd submitted an Invitation to Tender.
- 2.3 The total value of the approved tender was £6,875,273. The contract commenced on 1<sup>st</sup> October 2012. North Lanarkshire Council is responsible for the management of the Business Gateway contract on behalf of both North and South Lanarkshire Councils.
- 2.4 When the tender was awarded, there was a balance of approximately £374,727 (the difference between the allocated budget of £7.25m and the contract award). It was agreed that this balance would be used to provide complementary support to develop and support new and existing businesses within the Lanarkshire area.

**3. Additional ERDF Funding**

- 3.1 A call for funding was announced by the Scottish Government through the European Regional Development Fund (ERDF) to support business growth services available to micro-firms and SMEs. The funding was specifically made available for local authorities to bid into to augment existing Business Gateway services and to enable business growth services to integrate with measures to connect young people into employment. The funding is available to cover activity from 1 July 2013 to 31 March 2015.

- 3.2 North Lanarkshire Council submitted a Stage 1 ERDF application on Friday 26 April 2013 and a Stage 2 application on 17 May 2013. The application was submitted on behalf of local partners and delivery bodies including South Lanarkshire Council, Lanarkshire Enterprise Services Ltd, VANL, VASLAN, Town Centre Activities Ltd, Clyde Gateway URC and Biocity Scotland Ltd.
- 3.3 The overall value of the Stage 2 application is for £2,993,296 of eligible costs drawing down ERDF funding of £1,197,282. An indicative award letter was issued to North Lanarkshire Council by the Scottish Government on 17 June 2013. It should be noted that technical checks are currently being carried out by the Scottish Government and the final approved level of ERDF funding could be subject to marginal changes.
- 3.4 Following discussions with Legal and Procurement, it was agreed that it would be possible due to the complementary nature of the activities being proposed within the ERDF application, that specific additional services could be added to the Business Gateway contract through negotiated procedure. It is therefore proposed that the following two services applied for within the overall ERDF application are added to the Business Gateway contract by way of a Minute of Agreement to the existing contract:

| <b>Service to be Provided</b>  | <b>Total Costs</b> |
|--|--------------------|
| Additional Advisory and Support Services to Disadvantaged Groups                                 | £172,500           |
| Specialist Advisory and Support Services for new, early stage and established social enterprises | £225,925           |
| <b>TOTAL COSTS</b>   | <b>£398,425</b>    |

- 3.5 This would represent a 6% increase in the overall value of the Lanarkshire Business Gateway contract. The total value of the contract with Lanarkshire Enterprise Services Ltd will therefore increase from £6,875,273 to £7,273,698.

#### **4. Finance Implications**

- 4.1 Funding for the additional services to be delivered will be met through existing Council resources, South Lanarkshire Council, Lanarkshire Enterprise Services Ltd and ERDF as follows:

| <b>Source of Funding</b>  | <b>Total Funding</b> |
|---|----------------------|
| ERDF  | £159,370             |
| NLC – Business Gateway contract (from balance of additional monies) | £93,500              |
| NLC – Social Economy Support  | £57,277.50           |
| SLC – Social Economy Support  | £57,277.50           |
| Lanarkshire Enterprise Services Ltd                                 | £31,000              |
| <b>TOTAL</b>  | <b>£398,425</b>      |

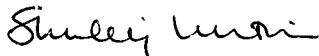
#### **5. Conclusion**

- 5.1 The additional services to be delivered by Lanarkshire Enterprise Services Ltd as part of the ERDF funding application and extension to the Lanarkshire Business Gateway contract will enable:
- The provision of additional intensive advisory support to 80 social enterprises complementing mainstream local business support, national support programmes, and early-stage support delivered through VANL and VASLAN; and

- The provision of additional pre-start advisory support over and above the services available through the Business Gateway contract to be delivered to 500 disadvantaged individuals enabling 240 to proceed to set-up in business.

**6. Recommendations**

- 6.1 It is recommended that Committee homologates the decision taken by the Convenor of Policy and Resources (Regeneration and Infrastructure) Sub-Committee and the Executive Director of Corporate Services to extend the value of the Lanarkshire Business Gateway Contract through negotiated procedure from £6,875,273 to £7,273,698 to deliver the additional services outlined.



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