

Record of Officer Decision

Decision title:	To agree to proceed to procurement through the council's procurement portal to appoint up to two business start-up providers. Providers will provide advice, guidance, training and mentoring to entrepreneurs as part of Herefordshire's UKSPF Investment Plan – Measure E24: Training hubs, business support offers, incubators & accelerators. This contract is for F/Ys 23/24 & 24/25.
Date of decision:	11/09/2023
Decision maker:	Corporate Director of Economy and Environment
Authority delegated decision:	Chief Executive Scheme of Delegation to Officers Appendix 1 – SA45 - Economic Development in consultation with S151 Officer https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=9216
Wards:	All
Consultation:	The UKSPF Investment Plan included extensive engagement with a wide range of stakeholders across a diverse range of groups, organisations and sectors. Business support is included as a key part of the Investment Plan under the 'supporting local business' investment priority.
Decision made:	Following the outcome of the council's contract procedure rules, we will appoint up to two business start-up providers to deliver advice, guidance, mentoring and training to a minimum of 40 entrepreneurs, to enable them to become enterprise ready. This contract will also result in 10 of the businesses registering as an enterprise, either through Companies House or HMRC.
Reasons for decision:	<p>In April 2022, government launched the UK Shared Prosperity Fund (UKSPF), to replace the EU Structural Funds.</p> <p>The primary goal of the UKSPF is to build pride in place and increase life chances across the UK. This aligns with the Levelling Up White Paper missions. Funding is targeted where it is needed most: building pride in place, supporting high quality skills training, supporting pay, employment and productivity growth and increasing life chances.</p> <p>The council has been allocated £7,545,330 to be spent between 2022 and 2025, of which, £903,194 is for 'Multiply' adult numeracy support which is subject to a separate decision. Government announced approval of the Investment Plan on the 5 December 2022, and Cabinet took the decision to accept and spend these funds on 15th December, 2022 https://councillors.herefordshire.gov.uk/ieDecisionDetails.aspx?ID=9216</p> <p>This commission relates to a package of business support to be delivered under E24: Training hubs, business support offers, incubators & accelerators in financial years 23/24 & 24/25 of the UKSPF Investment Plan, in particular supporting entrepreneurs to become enterprise ready and for 25% of those receiving support, to then go on to start up a business.</p> <p>It is important that we continue to support business start-ups in Herefordshire as the survival rate after three and five years is considerably higher than the West Midlands.</p> <p>In 2021, 920 new businesses started up in Herefordshire, a rate of 10% (start-ups as a percentage of all active businesses). This was lower than in the West Midlands (14%) and nationally (13%). Start-ups are surviving longer in Herefordshire than regionally and</p>

	<p>nationally; 94% at one year for businesses started in 2020, 65% at three years for businesses started in 2018 and 51% at five years for businesses started in 2016. The respective rates for the West Midlands regions were: 94%, 51% and 35%. Herefordshire has a greater number of businesses per head of population (500 per 10,000 per population aged 16+) than across the West Midlands (502).</p> <p>The contract should make provision for organising, facilitating and running activities to support potential entrepreneurs (pre-start), not currently registered.</p> <p>Each pre start should have a minimum of 20 hours support. A minimum of eight hours should be 1-2-1 tailored support. Other support can include business workshops that provide the opportunity to work with peers, as well as providing the skills and understanding the entrepreneur needs to start a business. Topics can include: choosing the right business structure, financial record keeping, employing staff and PAYE, insurance, employment policies, business planning, developing products and services and marketing amongst others.</p>
<p>Highlight any associated risks / finance / legal / equality considerations:</p>	<p><u>Finance</u></p> <p>The contract is for £70,000 from the E:24 UKSPF budget line and each advisor will be paid £700 per 8 hour day to deliver business advice. This contract is fully funded from the UKSPF allocation.</p> <p><u>Legal</u></p> <p>UKSPF grant terms (including output/outcome definitions) will be written into the supplier contracts, and collection of the outputs will form part of these. Suppliers will be given three months after delivering the start up support to collect the evidence relating to the advice, guidance, training and mentoring. Evidence of registration of the start-up enterprise will also be required.</p> <p>All advisors will have the necessary insurances and professional indemnities in place.</p> <p><u>Procurement</u></p> <p>The opportunity will be issued via the ProContract Portal (Supplying the South West), in accordance with the council's contract procedure rules.</p> <p><u>Risks</u></p> <p>Reputational Risk: There is a reputational risk if the council chooses not to deliver this activity. It is recommended that the council delivers this element of the SPF programme and continues to support start-up businesses in Herefordshire.</p> <p>No take up: We already have a pipeline of entrepreneurs, via the Marches Growth Hub and ED Team as the most recent start up course has been fully delivered and outputs exceeded. The advisors can also generate their own pipeline of interest, as long as they meet the criteria. We will also publish the opportunity via the Marches Growth Hub website, the council's UKSPF web page and via social media and other networks.</p> <p>Not meeting the required outputs: The council has committed to delivering business support and start up advice as part of the Investment Plan and is required to meet outputs and outcomes as a result of this support. This will be written into the advisor contracts.</p>

Details of any alternative options considered and rejected:	The council does not have to deliver this activity and does not have to receive the allocation given to Herefordshire. Currently, there is no other funding to commission a similar contract and the opportunity would be lost to the county. If this contract isn't entered into, Herefordshire businesses would miss out on much needed start up support.
Details of any declarations of interest made:	None.

Signed:
Ross Cook, Director for Economy and Environment

Date: 11 September, 2023