

Report of Economic Development Manager

Report to Director of City Development

Date: 10 June 2020

Subject: Authority to procure a contract for a Pilot business support product that is aimed at entrepreneurs.

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- This report is to seek authority to procure a contract for the provision of a Pilot business support product that is aimed at entrepreneurs.
- A Market sounding exercise (MSE) which concluded on 18 May 2020 attracted 19 responses.
- Following a review of the MSE responses the specification has been prepared in consultation with the Delivery Group of Team Leeds, a team of senior private and public sector stakeholders.
- A key emphasis of this contract is to pilot the delivery model to support the earliest stage of entrepreneurs helping us to build a strong pipeline of innovation-driven businesses that will in time support local growth by gaining investment, hiring the region's talent and scaling. With this in mind the project team has recommended that evaluating the quality element of tenders should be emphasised with this contract. The report is therefore seeking permission to waive contract procedure rule 15.2 and for the tender to be split on 70% quality and 30% on price rather than the standard approach of 60% quality and 40% price.

2. Best Council Plan Implications (see the [latest version of the Best Council Plan](#))

- This programme will support the Best City Ambition to have 'A Strong Economy and a Compassionate City'. This new business support product forms part of the

Council's laying the foundations for future economic and community recovery from COVID-19 and will help protect jobs and livelihoods and ensure that our economy has a better chance of recovery.

3. Resource Implications

- The contract for this Pilot business support will be funded from existing Chief Economic Development Officer Business Rates Pool budget. The value of the new contract is anticipated to be in the region of £130,000 - £150,000.
- If the Pilot is successful, resources would need to be identified to deliver a programme of support across the Leeds City Region through the West Yorkshire Devolution Deal.

Recommendations

- a) In accordance with CPR 3.1.6 the Director of City Development is requested to approve a tender exercise to procure the Pilot of a new business support product that is aimed at entrepreneurs under CPR 9. Is it expected that the procurement will commence in 19th June 2020 and close on 10th July 2020, and it is anticipated that a contract would be awarded on 4th August 2020.
- b) In accordance with CPR 15.2 and CPR 27 the Director of Development is requested to approve the tender evaluation to be split on 70% quality and 30% on price rather than the standard approach of 60% quality and 40% price.

1. Purpose of this report

- 1.1 This report seeks authority from the Director of City Development to approve the commencement of a tender exercise for the Pilot of a new business support product that is aimed at entrepreneurs with ideas for socially useful innovations and rapidly scalable business models under CPR 9. The contract to commence on 4th August 2020. The value of the new contract is anticipated to be in the region of £130,000 - £150,000.

2. Background information

- 2.1 In May 2018 a team of senior leaders from the University of Leeds and Nexus, KPMG, Arup, Leeds City Council, the Leeds City Region Enterprise Partnership (LEP) and West Yorkshire Combined Authority, Leeds Academic Health Partnership, Leeds Teaching Hospital Trust and a number of local entrepreneurs successfully bid for a place on a prestigious leadership programme run by the Massachusetts Institute of Technology (MIT).
- 2.2 The two year Regional Entrepreneurship Acceleration Program (REAP) admits eight regions annually from around the world and enables them to develop an evidenced-based strategy to accelerate development of the ecosystem that innovation-driven enterprises need to thrive. REAP focuses on entrepreneurs and enterprises with global ambition and rapidly scalable business models. The MIT REAP multi-stakeholder model argues that through a focused approach to developing innovation-driven entrepreneurial ecosystems, regions can gain comparative advantage and achieve increased economic growth.

- 2.3 The Team has used the MIT REAP methodology to map the current ecosystem in Leeds, engage with a broad range of stakeholders and, based on these findings, develop a strategy that defines two critical success factors for accelerating ecosystem development i.e. “inspiring entrepreneurs to solve the big challenges facing our world today” and “supporting more entrepreneurs from varied backgrounds to turn their ideas into innovation-driven businesses that investors want to back”
- 2.4 Following a Market Sounding Exercise (MSE) the specification has been developed to go out for a competitive tendering exercise.

3. Main issues

- 3.1 The Pilot provides support for ideation/early stage ventures focusing on entrepreneurs with ideas for socially useful innovations and rapidly scalable business models. It will help refine and validate entrepreneurs’ ideas into ventures ready for customers and investment.
 - 3.1.1 The programme looks to harness the entrepreneurial talent and momentum we have in our city and wider region and lever strong research and innovation assets (e.g. IP rich university base) to create new IDEs and at the same time derive social as well as economic benefit by focusing on innovations that tackle the major issues of our times and attracting a more diverse set of entrepreneurs (including but not limited to; age, disability, ethnicity, gender, sexual orientation and socio-economic background).
 - 3.1.2 Procuring this new business support product is essential at this time as it forms part of the Council’s laying the foundations for future economic and community recovery from COVID-19 and will help protect jobs and livelihoods and ensure that our economy has a better chance of recovery.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 A Market sounding exercise (MSE) which concluded on 18 May 2020 attracted 19 responses. Following a review of the MSE responses the specification has been prepared in consultation with the Delivery Group of Team Leeds, a team of senior private and public sector stakeholders.
- 4.1.2 As detailed in this report, a tender exercise will be carried out in accordance with the CPRs, using the council’s e-tendering system. By publishing the tender as an open opportunity, the opportunity will be accessible to any potential tenderer in the market. The invitation to tender will be advertised on Leeds City Council Supplier and Contract Management System YORtender.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The specification requires the contractor to use mechanisms to find a strong pipeline of people with great ideas and empower them to explore whether their ideas are viable and help turn them into compelling businesses. A key objective is that this pipeline is diverse and reflective of our community by including representation, but not limited to; age, disability, ethnicity, gender, sexual orientation and socio-economic background.

4.2.2 To enable robust challenge for this key objective and to avoid building in unconscious bias expert advice will be made available to the Panel as part of the evaluation process.

4.3 Council policies and the Best Council Plan

4.3.1 Entering into this tender arrangement will allow the opportunity to attract the best provider who understands the Council's statutory requirements and, therefore, demonstrate how their service can support the Council to meet those requirements and contribute to supporting the Council to achieve its Best Council plans.

Climate Emergency

4.3.2 There are no specific climate emergency issues related to this report.

4.4 Resources, procurement and value for money

4.4.1 The contract will be funded from existing Business Rates Pool budget.

4.4.2 Advice has been provided by the Council's Procurement and Commercial Services, who will provide support throughout the tender process.

4.5 Legal implications, access to information, and call-in

4.5.1 Due to the estimated total contract value of £150,000 this is a Significant Operational decision as defined under article 13 of the consultation, and requires publication but is not subject to call-in under the Scrutiny Board Procedure Rules.

4.6 Risk management

4.6.1 By taking account of the results of MSE in the development of the Invitation to Tender the Council has ensured, as far as possible, that there will be sufficient market interest.

4.6.2 By undertaking a competitive tendering exercise in accordance with CPR 9, the Council will ensure that it achieves Best Value for Money.

5. Conclusions

5.1 The responses to the MSE demonstrated the appetite in the market and a competitive response is anticipated.

5.2 This programme will support the Best City Ambition to have 'A Strong Economy and a Compassionate City'. This new business support product forms part of the Council's laying the foundations for future economic and community recovery from COVID-19 and will help protect jobs and livelihoods and ensure that our economy has a better chance of recovery.

5.3 It is aimed at entrepreneurs and start-ups with socially useful ideas and rapidly scalable business models. If the Pilot is successful, the aim is to delivery an annual programme across Leeds and the wider City Region through the West Yorkshire Devolution Deal.

6. Recommendations

- 6.1 In accordance with CPR 3.1.6 the Director of City Development is requested to approve a tender exercise to procure the Pilot of a new business support product that is aimed at entrepreneurs under CPR9. The procurement will commence in 19th June 2020 and close on 10th July 2020, it is anticipated that a contract would be awarded on 4th August 2020.
- 6.2 In accordance with CPR 15.2 and CPR 27 the Director of Development is requested to approve or the tender evaluation to be split on 70% quality and 30% on price rather than the standard approach of 60% quality and 40% price.

7. Background documents¹

- 7.1 None.

8. Appendices

- 8.1 Market sounding exercise document.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.