

# TENDER EXPLANATORY NOTE

<b>HERTFORDSHIRE COUNTY COUNCIL FOR THE PROVISION OF THE HERTFORDSHIRE ECONOMIC PARTICIPATION PROGRAMME 2010/11: READY FOR ENTERPRISE</b>	
<b>VAULT TENDER ACCESS CODE:</b> (To collect the Expression of Interest Document)	<b>04T299555</b>
<u><b>Proposed Timetable</b></u>  Advertisement Placed on Tender Opportunities Deadline for Questions Expression of Interest Return Date Invitation to Tender to be sent out on Closing Date for receipt of Tenders Award of Contract Start of Contract	<b>Wednesday 24<sup>th</sup> February 2010</b> <b>Friday 5<sup>th</sup> March 2010</b> <b>Wednesday 17<sup>th</sup> March 2010</b> <b>Friday 26<sup>th</sup> March 2010</b> <b>Monday 26<sup>th</sup> April 2010</b> <b>Monday 10<sup>th</sup> May 2010</b> <b>Thursday 20<sup>th</sup> May 2010</b>
<u><b>OVERVIEW OF THE REQUIREMENT</b></u>  <b>HCC CONTRACT REF: HCC1003068</b>	
<p><b>Introduction</b></p> <p>The Hertfordshire Economic Participation Programme (EP) for 2010-11 will focus on providing early support for those individuals currently out-of-work and wanting to move towards self-employment. It will fill a gap in current provision; will focus on areas of deprivation as well as helping to facilitate the development of social enterprise.</p> <p>The Programme aims to improve employability and increase economic opportunities for individuals to participate fully in the economy. The investment is intended to support delivery of the key economic participation targets set out within Hertfordshire's Local Area Agreement. Hertfordshire County Council is the Accountable Body for the 2010-11 EP EEDA funded programme for a sum of <b>£716,061</b> revenue.</p> <p>This tender is seeking expressions of interest from partner organisations for the delivery of activity in relation to LAA target NI172 "Increasing the percentage of small businesses in an area showing employment growth". This is the key enterprise development and business support target within the LAA.</p> <p>The EP programme investment should be focussed on delivery of activity which removes the barriers and improves employability for particular groups and communities in Hertfordshire and self employment and community enterprise/social enterprise can provide important routes to employment for some people, particularly in the challenging economic circumstances we face at the current time.</p> <p>Organisations interested in submitting a Tender should consider delivering activity which will remove barriers and improve access to opportunities for self employment and community enterprise/social enterprise start-up within Hertfordshire. This activity is intended to strengthen the enterprise and business start-up pathway for the County more broadly, it will ultimately support LAA indicator NI172 because it will strengthen the support and infrastructure in place to support business development for individuals located in some of the County's most disadvantaged communities and this will in time, have an impact on the number of businesses able to show employment growth.</p>	

## **Background to the Hertfordshire EP Programme**

In the past, Hertfordshire has benefited from both a healthy number and healthy growth of small businesses. In terms of performance against NI172 and between 2003 and 2007, the percentage of small businesses showing growth in Hertfordshire was lower than both the regional and national average. While this might suggest that the County is amongst the poorest performers in the region in terms of the strength of the business sector, other indicators of the health of business enterprise in the County suggest that performance is among the best, both regionally and nationally. In terms of new business registrations, Hertfordshire has been the strongest performer in the region for every year from 2003 to 2007 and in terms of the balance between VAT registrations and re-registrations; Hertfordshire shared best and second best performance with Essex. Hertfordshire also had the best stock of VAT registered businesses every year in this period (in relation to working age population).

Data from Business Link East shows business start up activity across Hertfordshire more than doubling from 168 in April to June 2008 to 366 in April-June 2009. The 2008 figure represented 0.4% of the registered business stock in the County. The rate for the East of England was 0.5%. In the April to June quarter in 2009 the rates for Hertfordshire and the region were both 0.8%. Hertfordshire had the highest start-up rate at 57 VAT registrations per 10,000 adults in 2007. It should not be very surprising to find business start ups increasing in a recession. People made redundant may look to start a business. Staff and premises may be more easily available and the difficulties of some established businesses may provide opportunities for new entrants.

Business Link East, have stated that they:

*'Have increasing demand from people interested in starting a business, particularly those made redundant or about to be'.*

(Business Link: Working in Partnership June 2009)

## **Hertfordshire's Local Needs**

Hertfordshire Forward, the County Local Strategic Partnership has identified the following local needs as having a particular impact on the economic performance and the health of Hertfordshire's small businesses, for which NI 172 has been taken as a proxy measure in Hertfordshire:

- Rising unemployment in Hertfordshire has been exacerbated by the number of Hertfordshire residents previously employed in London. Business Link reports that a number of recently unemployed are seeking to move into self-employment.
- On the whole, Hertfordshire has succeeded in promoting an entrepreneurial business culture, with high levels of business start-up. However, there are areas of the County in which business start-up is less prevalent. In line with overarching themes in the Sustainable Community Strategy to narrow the gap between the most deprived wards and rest of the County, the economic partnership recognises the need to target advice, guidance, training and business start-up space at less entrepreneurial groups in order to build resilience and improve aspirations.

Encouraging more people to start a business can contribute significantly to economic growth, productivity and job creation. Businesses started today may, with appropriate support, have the potential to become some of the major innovators and employers of tomorrow. New and growth enterprises can also inject new wealth and jobs into the economies of areas that are deprived or that are in need of regeneration.

Social enterprises can provide routes into work for those who may lack the skills and ambitions of the more recently employed. More generally, quality business support services play an important role in spreading good business practices.

In the context of the current economic climate and despite good performance in earlier years, the task is challenging, especially for those furthest from the labour market. In addition, in the current financial climate, loans to establish and develop small businesses will be harder to access and potential entrepreneurs will need additional support to develop their business proposals.

### **Proposed Activity**

Our proposed activity for 2010-11 is therefore aimed at complementing mainstream activity undertaken by other organisations.

- Provide more opportunities for individuals to choose the self-employment route back into economic activity.
- Support those who want to start a social enterprise.
- Provide the right climate and appropriate support mechanisms within which entrepreneurial activity can flourish.
- Help lay the foundations for economic recovery and the future growth of both the Hertfordshire and regional economy.

In addressing the needs of local communities, we already work with key local partners to promote enterprise in disadvantaged and harder-to-reach communities, but we need to engage with more businesses and a wider range of communities to help develop the linkages between the needs of local communities and local businesses and to build their capacity.

Social enterprises provide good quality local employment to those people in the community with fewer or no skills. Interventions which improve support for these enterprises helps provide a range of employment and business development opportunities across the whole community

There is now widespread acknowledgement that social enterprises make an important contribution to sustainable economic growth at a local/community level. Social enterprises play a particularly important role in tackling worklessness by creating employment opportunities in disadvantaged communities and targeting many of these toward disadvantaged people. Social enterprise may be seen as combining the best of both the private and voluntary sectors, to create new ways of working that are rooted in the community and that can respond to particular community needs and issues. They can provide valuable experience, training or employment opportunities for those who may have found it difficult to access employment and have experienced exclusion from the workplace.

The economic participation programme for 2010/11 aims to meet the key challenges of enterprise, skills and employability:

The enterprise challenge for Hertfordshire is not just about creating jobs but about embedding a culture of enterprise where people see self-employment as a realistic employment option and where appropriate support mechanisms are available to help them realise their ambitions; where small businesses are encouraged to grow and where social enterprise offers opportunities for those with lower skills levels.

If Hertfordshire is to realise its ambitions for an economy characterised by quality jobs, innovative and dynamic businesses supported by a well-skilled workforce and an entrepreneurial culture, we need to meet the challenge of skills and employability. We will need to increase the numbers of people progressing into Higher Education, especially in Stevenage Hertsmere, Watford and Broxbourne, raise the skills, aspirations and expectations of those in our disadvantaged communities and support those who see self-employment as the way back into economic activity.

## Hertfordshire Economic Participation Priorities

(1) Early Stage Intensive Pre- Start Up Support, Providing Coaching Mentoring And Assessment For Individuals Economically Inactive Or Unemployed Who Wish To Move Towards Self Employment.

And

(2) Developing Social Enterprise Activity Building On Existing Social Capital By Developing Enterprise Awareness And Start-Up Support,

Both interventions will target areas of deprivation and high unemployment.

The programme recognises that business generation by entrepreneurs is important in providing new opportunities for disadvantaged people and communities. Growing social enterprises, in particular, can have very positive impacts on deprivation and in some cases the business- start up and self employment route can help overcome barriers to participation.

Current business start up provision does not include pre-start up support for those who are considering starting a business. Whilst self employment is not right for everyone, it can be an attractive option for those either not in work or at risk of becoming unemployed. A '**Ready for Enterprise**' programme would help individuals assess their potential for making appropriate pathway decisions, e.g. employment / self employment and further match them to the correct support mechanism.

'Ready for enterprise' project proposals would set out

- o Links with access to the mainstream provision
- o Build on existing economic participation programmes
- o Build on existing skills and incubation support
- o Deliver specialised outreach to those furthest from the work place
- o Provide a network of local business to draw expertise from
- o Provide role models and mentors for clients

Delivery would take place on a County wide basis taking account of the 8 highest ranking deprivation areas in the employment deprivation, in line with the County economic development strategy. Focus would be on those economically inactive and unemployed who would consider starting their own business. The eight Hertfordshire super output areas ranking in the top 20% of the country with regard to employment deprivation are

*Bedwell - Stevenage (BLE target area for start up)*

*Cowley Hill – Hertsmere (BLE target area for start up)*

*Northwick – Three Rivers*

*Hatfield Central – Welwyn Hatfield*

*Oughton – North Herts*

*Grange – Letchworth*

*Hoddesdon – Broxbourne (BLE target area for start up)*

*Cunningham – St. Albans*

In addition to the challenge of reducing deprivation, skills is a further area for focus; across Hertfordshire the employment rate for those with no or low qualifications is significantly below the employment rate for the general population and the gap appears to be growing. There is some evidence to suggest that the number of jobs available to those with low or no qualifications is decreasing and is likely to continue to decrease.

### **Expressions of Interest Criteria**

This section sets out the criteria against which the Council would like to receive expressions of interest for projects which will provide intensive pre-start up business support, these must be submitted using the accompanying EOI Proposal Template which should be fully completed and must include the options requirement, address additionality and address the intervention criteria set out below:

Project proposals would need to provide:

- Intensive pre-start up support for enterprise activity across the County
- Intensive pre-start up support for social enterprise activity aimed at stimulating enterprise for disadvantaged communities.
- Intensive pre-start up activity in areas of deprivation with the highest level of unemployment
- Enterprise awareness training in areas of deprivation with highest levels of unemployment
- Community based intensive pre start up support for unemployed people who have an idea for developing their own business
- An assessment to help individuals decision making to develop their idea or signpost through to employment routes
- Planning support, advice and training for individuals to help realise their idea
- Appropriate advice and training for those who wish to take forward an idea for social enterprise
- Pathway through to mainstream services via solutions for business - BLE including 'Enterprising Women'
- Sign posting to existing employment routes including access to skills
- Build on the 'Enterprise Road good practice (Feb 2009) in creating pathways to enable disadvantaged communities to access mainstream business support and supporting the growth and development of social enterprise, plus enhancing enterprise development and innovation in disadvantaged communities.

Funding can be provided towards the costs of training, skills and support for individuals who are unemployed or economically inactive and:-

- Have low or no skills
- Are in the 50 plus age bracket
- Are prolific offenders

The Council in considering the economic participation investment, will be looking for expressions of interest which will integrate the investment with the delivery of other business support services and that have secured funding and developed a sustainable business model to do so:

The intended outcomes in support of LAA indicator NI172 are:

- An increase in business start-ups
- An Increase in productivity and employment growth in a target LAA NI172
- Reduced levels of economic inactivity in the most deprived areas
- Improved business survival rates and increase in self employment rates.

HCC will seek to contract with one lead partner organisation that must be a legally constituted body. However, it is expected that the lead partner will work in a consortium with other organisations, in order to strengthen the range and breadth of delivery expertise through engagement with other agencies and third sector organisations. The lead partner will be responsible for the quality of provision on behalf of a consortium and the progress and performance of the contract on behalf of the partnership when selected. HCC expects the lead partner to enter into formal arrangements with the partner organisations. Individual members of the partnership must work in an integrated and coordinated way with all other partners and projects funded by other organisations working in this area.

**NB: Tenders must be compliant with solutions for Business**

### Weighting

Criteria	Maximum score	Weighting (%)
a) Appropriateness of the proposed methodology and project plan. strategic fit, rationale, options, scope, schedule	25	25%
b) Evidence of a partnership approach to planning and delivering the project. governance & project management	25	25%
c) Professional expertise, track record risk & issue management	25	25%
d) Ability to demonstrate value for money based on the match funding and the RDA outputs that will be delivered. Cost, funding, benefits and outcomes	25	25%

Please note that the Council intends to shortlist the 3 top scoring bids from the Expressions of Interest stage.

Tenderers must be aware that any tender they submit must complete delivery (i.e. claiming full Council spend) by 31<sup>st</sup> March 2011. There can be no carry forward of spend into the next financial year and there should be no expectation among the tenderers and delivery partners of any future funding being available from the Council.

**PLEASE READ THE FOLLOWING INFORMATION AS IT PROVIDES INSTRUCTIONS ON HOW TO APPLY FOR THIS REQUIREMENT**

**Hertfordshire County Council is moving to a new way of eTendering and working closely with BiP Solutions which provides a system called Delta-ets.**

This tender is a two stage process and you will only be invited to tender if you have successfully passed through the Expressions of Interest stage (Stage 1). If you are going to complete an Expression of Interest, the completed EOI Proposal Template must be returned by the closing date of **12pm Noon on Wednesday 17<sup>th</sup> March 2010**. A hard copy of your proposal should also be forwarded to the below address by this date:

**Contract Development Team (F.A.O Chris Mulhall)  
Strategic Procurement Group  
CHL002  
Leahoe Annexe  
County Hall  
Pegs Lane  
Hertford  
Herts  
SG13 8DQ**

Any Expression of Interest received after the closing date will not be considered.

**Step 1: Registering with Delta-ets**

To participate in this tender you will need to go into **www.delta-ets.com** and register, thereafter you will be issued with a **USERNAME and PASSWORD**. (If you have already registered with Delta-ets, please follow the link above where you can log on using your existing username and password. If you have registered and have forgotten your Username and Password, please click on the forgotten password link below the log in box on the Delta-ets homepage.) Please keep this USERNAME and PASSWORD secure, and do not pass it to any third parties.

**Step 2: Obtaining Expression of Interest**

Once you have logged into Delta, please go to the **Vault** area of Delta and access the tender box (**Tender Access Code 04T299555**). Here you will find the Expressions of Interest document which you will need to complete in line with the instructions above and submit to the vault box by the closing date.

**PLEASE NOTE YOU WILL HAVE TO PASS THROUGH THIS EXPRESSION OF INTEREST STAGE TO BE INVITED TO TENDER VIA E-MAIL.**

If you are experiencing problems, then please contact the Delta helpdesk via email at [helpdesk@delta-ets.com](mailto:helpdesk@delta-ets.com) or call 0845 270 7050 for further assistance

**Further Information**

The Delta-ets system enables questions and answers to be exchanged via the e-mail facility in the system, please use this facility if you wish to clarify any issues regarding this requirement.

For further information on How to do Business with Hertfordshire County Council including current and past tenders please visit [www.hertsdirect.org/contractsandtenders](http://www.hertsdirect.org/contractsandtenders) or <http://hertscc.g2b.info/>