

## WEST MIDLANDS ERDF LOCAL MANAGEMENT SUB-COMMITTEE 2007-13

Wednesday 11 January 2012

### Item 5: Invitation to bid via Non Competitive Selection: Manufacturing Advisory Service & Business Coaching for Growth

#### Objective

- i To seek approval to invite bids via non-competitive selection from the preferred bidders of the national Manufacturing Advisory Service (MAS) and the Business Coaching for Growth service to expand their delivery and increase their impact in the West Midlands through ERDF.

#### Recommendation(s)

- I To invite the Manufacturing Advisory Consortium to submit an application to a maximum value of £5,000,000 to match the BIS regional allocation of £5,000,000 to expand delivery of the Manufacturing Advisory Service in the West Midlands.
- II To invite Pera to submit an application to a maximum value of £5,000,000 to match the BIS regional allocation of £5,000,000 to expand delivery of the Business Coaching for Growth service in the West Midlands.

#### 1. Background

- 1.1 The Manufacturing Advisory Service (MAS) and the Business Coaching for Growth products have a strong fit with Priority 2 of the ERDF Programme. Up until now ERDF has been used to enhance and expand provision of the regional Manufacturing Advisory Service in the West Midlands. Last year, Government decided to procure the Manufacturing Advisory Service nationally. A national procurement also took place for the Business Coaching for Growth product.
- 1.2 At the time that the Priority 2 Open Bidding Round closed in June, 2011, the successful contractors for the national MAS and Business Coaching for Growth programmes had not been selected. One bid was received in the bidding round for funding for MAS activity and one for Business Coaching for Growth activity. The intention in each case was to match ERDF with government funding if the relevant bidder was successful in the national competitions. When Priority Working Group 2 met in August to assess and endorse the bidding round bids, the group decided to 'park' the two bids since the national procurement had not yet completed.
- 1.3 At the LMC Sub Committee Meeting in November members agreed to invite a bid via non-competitive selection from the preferred bidder of the national MAS service to look to expand their delivery in the West Midlands through ERDF
- 1.4 Non competitive selection is one of the agreed selection routes for projects;

*"where a single potential Applicants (or perhaps two or more) is either selected as appearing to be the only suitable and capable vehicle for delivering a specific operation or set of programme targets or outputs and invited to submit an application for financial assistance; or applies for financial assistance on its own initiative for the support of an operation or a set of targets or outputs that appears to meet a priority or objective of the OP."*

It can be used when National policy and delivery arrangements for activity that corresponds with activity set out in the Operational Programme has already been established and deviation from this approach is not desirable. This applies in this case.

- 1.5 For MAS, the preferred bidder is the Manufacturing Advisory Consortium, made up of MAS West Midlands, MAS East Midlands, MAS London (Grant Thornton), and MAS South West. WM PDT met with Manufacturing Advisory Consortium on Friday 16 Dec to discuss the bid.
- 1.6 The preferred bid for the national tender of the Business Coaching for Growth product is Pera. They have approached the WM PDT with a request to expand the provision in the West Midlands through ERDF. A meeting with WM PDT is scheduled for the 4<sup>th</sup> January to discuss their request. The LMC Sub Committee is asked to consider also inviting Pera by non competitive selection to submit a proposal to expand the delivery of the business coaching for Growth product in the West Midlands through ERDF.

## 2. Summary of the Proposals

- 2.1 The projects are essentially a 'volume up-lift', the existing processes and procedures employed within national projects will be employed, the management and successful delivery of the objectives and outputs being achieved through the addition of delivery staff and admin staff to ensure the administration of the project. The primary objective of the projects will be to utilise new ERDF funding, to give additionality to the core service offers, more than doubling the outputs and benefits in the region.
- 2.2 MAS will deliver technically focused 'point solution' projects of up to £1,000 activity within a duration of 6 – 10 weeks. In-depth projects up to 10 days activity within a duration of typically 6 months as well as New Product Development and Introduction (NPDI) Projects and Business Strategy, delivered according to the methodology developed in the Product Innovation Consortium pilot project, which is now part of the core offer. Individual company projects may take in excess of 18 months to complete.
- 2.3 Business Coaching for Growth will assist established SMEs with the potential to increase employment or turnover by 20 per cent or more each year for three years and new start-ups with the potential to achieve turnover of £1m within three years of starting trading. Activity will include coaching of senior management teams to develop and implement growth strategies, provide tailored, specialist help to develop a successful investment pitch as well as access to high quality facilities by partnering with leading business incubators, science parks and Technology Innovation Centres.

## 3 Outputs, Results and Outcomes\*

\*MAS only, awaiting detail for Business Coaching for growth

Output	Quantity
Jobs Created	800
Jobs Safeguarded	2400
Businesses Assisted to Improve Performance	800

## 4 Next Steps

Activity	Anticipated Completion Date
Agreement by LMC Sub-Group	11 January 2012
Prepare and gain endorsement of Outline proposal	End January 2012
Prepare Full Proposal	End February 2012
Seek IDG Approval of Full Application	End March 2012

Commence Project	April 2012
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