

EXTRACT FROM WG SPECIFICATION FOR ENTREPRENEURIAL SUPPORT SERVICES FOR ENTERPRISE HUBS

2. Background

- 2.1 Our role as government is to support an economy that increases both our wealth and our well-being through inclusive growth, by which we mean a fairer distribution of the benefits of economic growth both at an individual level and between different parts of Wales. We want a strong, resilient and diverse economy that delivers for the people of Wales – enabling individuals to realise their ambitions, businesses to prosper and communities to thrive.
- 2.2 ‘Taking Wales Forward; (the Welsh Government five year strategic plan, setting out what Ministers want to deliver over the 2016-2021 term) includes commitments to; Promote Tech hubs and Pilot a Better Jobs Closer to Home project, designed to create employment and training hubs in areas of high economic deprivation.
- 2.3 ‘Prosperity for All: the national strategy’ takes the Taking Wales Forward commitments, places them in a long-term context, and sets out how they will be delivered. Innovation and entrepreneurship is one of the ‘Calls to Action’ within the ‘Prosperity for All: economic action plan’ with the ambition to join entrepreneurship and innovation capacity to deliver more start-ups, a vibrant SME sector and innovation driven entrepreneurship. We will continue to work with universities, colleges and private companies to improve the business incubator and innovation centre support for new firms in Wales.
- 2.4 The current portfolio of Welsh Government support services engages with individuals seeking to start up in business through to those needing specialist tailored high growth support. A gap in our business support provision and not covered universally by other providers exists in relation to physical spaces for individuals and early stage businesses. The importance of providing space, community and support for aspiring entrepreneurs is key to success and Welsh Government is keen to build on and complement the existing infrastructure across Wales.
- 2.5 In October 2015 Wales joined the Massachusetts Institute of Technology’s (MIT) Regional Entrepreneurship Acceleration Programme (REAP). REAP provided an opportunity to work with MIT and the wider REAP community to develop a strategy specifically for Wales that put innovation-driven entrepreneurship at the heart of the drive to create jobs and boost the economy. Fundamental to REAP is the engagement with five major stakeholder groups: government, corporate, academia, risk capital, and the entrepreneurial community to stimulate an entrepreneurial ecosystem that’s Visible, Simple and Connected. In Wales, the REAP model has been developed as ‘Be The

Spark¹ and is being driven forward by a Community Interest Company (CIC) supported by Welsh Government, other private sector organisations, individuals and charitable organisations. As demonstrated by regions across the world the collaborative working principles of the REAP methodology are an excellent fit with the aims and outcomes that we want to see being achieved through the provision of supportive physical spaces for entrepreneurs and small businesses. What is also clear is that the provision of Enterprise Hubs takes many forms; when service innovation, collaboration and needs of the local area are recognised, it is shown to deliver better outcomes.

- 2.6 In 2017 Welsh Government announced £1m of funding through Business Wales to establish a 2 year pilot business hub in Wrexham to support the creation of new enterprises and jobs. The pilot aims to help secure at least £1m of private investment for its member entrepreneurs and will provide wrap around support to encourage the fantastic entrepreneurial talent in the north east Wales region. The Wrexham Enterprise Hub will provide a community for entrepreneurs that will link to the wider ecosystem including Glyndwr University, Coleg Cambria, industry and support agencies in the region. The development of the Hub has provided a testing ground for this tender and will form part of a five hub network as a result of this tender.

3. Aim

- 3.1 To engage with enthusiastic and dynamic contractors to develop and deliver a 3 year programme (with the option to extend for 12 months) of innovative entrepreneurial support services targeted at pre start and early stage businesses looking to create and expand their business ideas within a communal physical space.
- 3.2 The programme of entrepreneurial support services will be delivered from 4 new regional Enterprise Hubs (in addition to the Wrexham pilot) which will provide a creative, collaborative space for aspiring entrepreneurs to share, develop and realise their ideas. Each lot will be awarded to one contractor.
- 3.3 The 5 Enterprise hubs (including the pilot in Wrexham) will form a pan Wales network that shares best practice and works collaboratively and which is easy to access, connected and visible.
- 3.4 The hubs will complement the existing physical infrastructure and entrepreneurship/business support eco-system across Wales. High quality, modern infrastructure is a key enabler of competitiveness and productivity.

¹ See: <https://bethespark.wales/>

- 3.5 The programme of entrepreneurial support services delivered from the hubs will facilitate networking and mentoring for entrepreneurs and businesses and provide linkages across all stakeholders to build valuable networks and drive an entrepreneurial culture.
- 3.6 The programme of entrepreneurial support services will engage the five stakeholders of the economy – government, corporate, academia, risk capital and the entrepreneurial community to deliver a holistic service supporting future generations of entrepreneurs.
- 3.7 To drive community and stakeholder engagement to support the programme of entrepreneurial support services at each hub and maximise the value and impact of its facilities as a resource for the wider community.

4. Objectives

- 4.1 To ensure Pan Wales delivery of entrepreneurial services to aspiring entrepreneurs the contract is being awarded as 4 regional lots. 1 contractor will be awarded per lot;
- **Lot 1** – North West Wales (Gwynedd, Isle of Anglesey, Conwy and Denbighshire)
 - **Lot 2** – Mid Wales (Powys and Ceredigion)
 - **Lot 3** - South West Wales including South West Valleys (Carmarthenshire, Neath Port Talbot and Pembrokeshire)
 - **Lot 4** – South East Valleys (Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf, Torfaen)
- 4.2 To maximise the reach and accessibility of the programme of entrepreneurial support services bidders should deliver from either;
- a single physical location (key site)
 - or from a combination of a key site with satellite location or a key site with a programme of virtual services
- 4.3 The facility and infrastructure of the Enterprise Hubs will be provided by the contractor for the duration of the contract.
- 4.4 Opportunities presented by the City Deals for Swansea and Cardiff, Growing Mid Wales Partnership, Valleys Taskforce and the North Wales Growth Bid to enhance the service offered to entrepreneurs should be considered in order to add value to the programme of entrepreneurial support services being proposed. Bidders should also be aware of important spatial priorities such as Enterprise Zones and strategic regional priorities.

- 4.5 Contractors should maximise the number of aspiring entrepreneurs benefitting from the programme of entrepreneurial support services being delivered by ensuring a regular flow of individuals and businesses through the hub.
- 4.6 The programme of entrepreneurial support services being delivered within the communal physical space of the hub should take into account UK and international best practice within the sector to enhance the provision for aspiring entrepreneurs.

5. Requirement

5.1 Programme of Entrepreneurial support services

- 5.1.1 Contractors are required to develop and deliver a programme of entrepreneurial support services to aspiring entrepreneurs and early stage businesses that will enable entrepreneurs to realise their business potential, support the creation of new enterprises and increase employment amongst those enterprises receiving support.
- 5.1.2 Typical support services delivered to aspiring entrepreneurs and early stage businesses are (this list is not exhaustive or prescriptive):
- mentoring, business angels, after-work classes, business surgeries, hackathons, networking and pitching events, conferences, workshops/master-classes, inspirational guest speakers and/or other innovative solutions.
- 5.1.3 Contractors will be required to develop and deliver entrepreneurial support services outside of standard working hours (9am-5pm) to entrepreneurs interested in starting a business but are unable to commit to basing themselves in the hub. For example, after work or weekend sessions/workshops.
- 5.1.4 The programme of entrepreneurial support services should complement, align with and add value to current support being offered (e.g. via Business Wales) rather than displacing or replicating it.

- 5.1.5 Contractors will need to deliver entrepreneurial support services to part and/or full time occupants and consider whether the hub can be used as a drop-in resource.
- 5.1.6 Contractors will be required to develop eligibility criteria (please see requirements in Section 5.7 – Inclusive service), register entrepreneurs onto the programme of entrepreneurial support services, diagnose the business / business idea and support the entrepreneur in developing an action plan and review progress over the duration of the support. Contractors must also have a policy in place for potentially declining entrepreneurs that do not meet the eligibility criteria.
- 5.1.7 Contractors will be expected to provide proactive information and signposting services to entrepreneurs based at the hub and to individuals and businesses ineligible for or unsuccessful in receiving entrepreneurial support services.
- 5.1.8 When the programme of entrepreneurial support services has ended, contractors will be required work with stakeholders to source alternative or follow-on space for the next stage of an entrepreneur’s business journey. They should have a process in place for ensuring entrepreneurs relocate promptly at the end of their support and be able to identify and address any blockers to this process.
- 5.1.9 In delivering the entrepreneurial support services contractors will be required to engage with appropriate emerging priorities associated with the new Welsh Government Economic Action Plan which aims to drive public investment with a social purpose through delivering added and wider value from the business support we offer.
- 5.1.10 During the period of the contract the Welsh Ministers may pilot and develop new services to be delivered by or through the contractor at the Enterprise Hubs, if the need so requires. An additional £833,333 (excluding VAT) is incorporated into the contract value to cover the cost of these potential new services which could be allocated across one or more of the lots subject to funding availability and at the discretion of Welsh Ministers.

5.4 Key Performance Indicators (KPI’s) per Lot

- 5.4.1 The programme of entrepreneurial support services will be required to achieve the following outcomes as a minimum over the 3 year contract period;

- 225 individuals receiving support (targets for graduate start ups will be agreed at contract award).
- 150 new enterprises supported (new starts).
- 225 new jobs (25% earning above the average salary for Wales).

5.4.2 Contractors will report on community engagement events leading to entrepreneur registrations onto the programme of entrepreneurial support service on a monthly basis (to include rationale for delivering event, registration and attendance/non attendance rates):

- 500 + individuals per lot participating in local community engagement events annually.

5.4.3 In delivering the programme of entrepreneurial support services contractors will be expected to report on a monthly basis against supporting entrepreneurs to achieve the following outcomes per lot

- Investments made - to raise a minimum of £1,000,000 per lot across entrepreneurs engaged and supported during the contract period.
- 50% of post start businesses supported to demonstrate innovative ways of working – new activity, new products or solutions (including R&D).
- 25% of post start businesses supported to demonstrate generating revenue from global markets (i.e. trading outside of Wales).