
Report to Enterprise & Environment

Date of Meeting: 15th January, 2015

Subject: Business Gateway

Report by: Head of Development & Environment

1.0 Purpose

This report make members aware of the work undertaken in the delivery of the Business Gateway contract in Clackmannanshire and the role of the service in supporting start-up and growth businesses.

2.0 Recommendations

- 2.1. It is recommended that committee note the ongoing delivery and performance of the Business Gateway service in the Clackmannanshire Council area.

3.0 Background

- 3.1. Business Gateway provides free advice and support to anyone starting a new business as well as businesses that have the ambition and potential to grow. It is a nationally branded service delivered at a local authority level.
- 3.2. The Business Gateway contract in the Forth Valley is delivered through Falkirk Council (Lead Partner) and the consortium of Ceteris and STEP delivering in Clackmannanshire and Stirling Council areas respectively.
- 3.3. The current contract was effective from 1st October 2012 for an initial period of three years and then, with the agreement of the lead partner in conservation with Clackmannanshire and Stirling Councils, for a further two years. The contract was designed to provide a core degree of consistency Scotland-wide but allowing local authorities new flexibility to tailor advisory services, expert help and events around local demand.
- 3.4. The Business Gateway Annual Review document, published in June 2014, provides a national overview of the purpose and scope of the service and highlights the importance of the local service delivery. The report states that despite the challenge of prevailing economic conditions, the figures for businesses contacting Business Gateway suggest there is a continued appetite in Scotland to start a new business and grow existing companies.

3.5 Business Gateway provides advice for every stage of the business cycle:

Start -Up's - Clients expected to trade up to £70K turnover and/or not expecting to employ staff within 12-18 months of starting to trade. Higher Value Start-Up's are expected to trade at/or above £70K turnover (but no more than £200K) and /or employ staff within 12/18 months of starting to trade.

Growth Advisory Service - Clients receive one-2-one support to help them achieve or raise their growth aspiration. Businesses should be projecting growth in excess of £200K over a 3 year period. When business turnover exceeds £400K over a three year period, they will then be on the **Growth Pipeline**, and can potentially transfer to **Account Management** within Scottish Enterprise.

Local Services - provides support to businesses that may not meet the above criteria. Additional specialist support can be provided to companies on a case by case basis.

3.6 The Business Gateway services in Clackmannanshire are an integral part of the wider business support services available through the Clackmannanshire Works service delivered by the Economic Development staff in the Council. The Business Gateway Advisors and Clackmannanshire Works team work closely together to provide a complementary advisory service, with one member of the Clackmannanshire Works Business Development and Liaison team seconded to Business Gateway, two days per week. This arrangement ensures that all potential start-up businesses in Clackmannanshire can access Business Gateway resources and/or receive bespoke start-up advice from Clackmannanshire Works as appropriate to their needs.

4.0 Business Gateway Clackmannanshire Performance

4.1 Business Gateway performance is collated and reported nationally at a lead local authority level only. The majority of lead authorities in Scotland represent more than one council area. Falkirk Council is the Lead Local Authority for the Forth Valley area comprising Falkirk, Stirling and Clackmannanshire Councils. For the purposes of this report, however, reference is only made to Clackmannanshire's share of the Business Gateway outputs.

4.2 Table 1 summarises the performance of the Business Gateway Clackmannanshire against key performance indicators for the year ending March 2014.

Table 1: Performance 2013/14

Segmentation	Target (Clacks)	Actual (Clacks)	Forth Valley	Comment
Volume Starts	109	111	738	Target exceeded
Potential Higher Volume Starts	22	13	60	Volume starts have been revised down for 2014/15 due to unrealistic target set nationally for 2013/14
Higher Volume Starts	22	7	37	Explanation in 4.3 below
Growth Advisory Start-Up's	3	4	13	Target exceeded
Growth Advisory Business base	10	7	59	Explanation in 4.3 below
Growth Pipeline Start-Up	3	4	14	Target exceeded
Growth Pipeline Business Base	10	6	35	Explanation in 4.4 below
Account Managed Start-Up	0	0	1	No target
Account Managed Business Base	2	1	8	Explanation in 4.4 below
Local Service - Advisory	110	134	575	Target exceeded
Local Service - Expert Help	41	55	359	Target exceeded
Local Service - Bespoke Workshop	3	3	9	Target met
Local Service After-care	274	302	671	Target exceeded
Workshop - Start-Up	N/A	20	134	No target set
Workshop Attendees Start-Up	N/A	159	1256	No target set
Workshop - Business Base	N/A	8	59	No target set
Workshop Attendees - Business Base	N/A	84	264	No target set

4.3 **Start-Up's**

Demand for business start-up support remains high in Clackmannanshire, however, it should be recognised that a number of these businesses may never employ staff or take on premises, but will provide an income similar to that of a paid job.

4.4 **Growth Businesses**

There have been a limited number of businesses moving onto the Growth Pipeline, this is indicative of the small number of Scottish Enterprise account managed companies in Clackmannanshire (approximately 24 companies) and the nature and size of the local business base.

A review of Higher Value targets has been undertaken across the Forth Valley for 2014/15 to reflect the potential growth from the existing business base more accurately.

4.5 **Business Gateway Plus**

In July 2013, a successful bid for European Regional Development Funding (ERDF) enabled Business Gateway Forth Valley to provide additional activities to new and existing business offering advice and support to develop businesses and create employment.

The Business Gateway Plus Project provides detailed advice on HR issues for SME's and broadens the availability of specialist support to a wider group of businesses with growth potential.

In 2013/14, 22 businesses in Clackmannanshire received HR support, including advice and consultancy of staff contracts, policy & procedures, employment law issues, and staff coaching and development.

In 2013/14, 25 businesses in Clackmannanshire received Specialist support including marketing expert support, SEO / web optimisation, procurement and RSA applications.

4.6 The Business Gateway service is now promoting services at a local level rather than on a national basis. This more locally focused and tailored service encourages clients to fully engage with the Business Gateway and access the wider services available to them.

4.7 Regular updates on the Business Gateway activity will be brought to the Enterprise & Environment Committee and this will be used to inform the on-going delivery of the Programme as the current contract nears completion in September 2015.

5.0 **Considerations**

5.1 Economic Development Officers have been working with SLAED and the Business Gateway Management Group to develop a local authority bid to the new European Structural Fund Programme 2014 - 2020 for Business Competitiveness. The project aims to build upon those services currently being delivered by Business Gateway to enhance and integrate the pattern of business support on offer with a particular focus on integration of:

- Council led Business Support
- Mainstream Business Gateway
- Scottish Enterprise services for innovation and internationalisation

The development of the new programme will have implications for the future commissioning of Business Gateway services and we are still awaiting guidance and clarity on the approach to be taken.

6.0 **Resource Implications**

6.1 *Financial Details*

6.2 There are no financial implications with this report.

6.3 *Staffing*

6.4 There are no staffing implications with this report.

7.0 Exempt Reports

7.1 Is this report exempt? Yes (please detail the reasons for exemption below) No **X**

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing
- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No **X**

10.0 Legality

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes **X**

11.0 Appendices

11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

12.0 Background Papers

12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes (please list the documents below) No

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Approved by

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