
BUSINESS GATEWAY PROGRESS REPORT – 1 APRIL - 30 SEPTEMBER 2016

Report by Corporate Transformation and Services Director

EXECUTIVE COMMITTEE

1 November 2016

1 PURPOSE AND SUMMARY

- 1.1 This report presents an update on the performance of the Business Gateway in the Scottish Borders, covering the period 1 April 2016 to 30 September 2016.**
- 1.2 Business Gateway continues to perform well as an integrated part of the Council's Economic Development service. The introduction of area focussed Growth Advisers in April 2016 has seen an improved spread of activity across the Borders, increased acceptance by private sector intermediaries and new business enquiries from companies not previously accessing the service.
- 1.3 Progress against key performance targets is detailed in Table 1 in Section 3.2, and an update on the Performance Improvement Plan is set out in Appendix 1.
- 1.4 Events continue to be a key part of the success of Business Gateway. Through the series of Masterclasses and Business Week, new speakers and new business methods are being introduced to Scottish Borders businesses.

2 RECOMMENDATIONS

- 2.1 I recommend that Executive Committee:**
 - (a) Notes the successful performance of the Business Gateway Service in this period and the actions planned for the future;**
 - (b) Continues to receive regular progress reports to monitor performance;**
 - (c) Requests that the Business Gateway provides an annual report and update to Committee in June 2017.**

3 BUSINESS GATEWAY PERFORMANCE

- 3.1 The National Service Specification (NSS) for the Business Gateway Service 2012-17 was developed nationally. Each local authority responsible for the delivery of Business Gateway services across Scotland is obliged to deliver to a consistent standard and to report in a consistent manner. The updated NSS has been finalised and Council officers have played an important role in this.
- 3.2 Table 1 below indicates the performance against target for the first six months of the current financial year to 30 September 2016.

Table 1 – 1 April 2016 to 30 September 2016			
Service Output Targets			
Start-up Service	Target 2016/17	Actual to 30/9/16	%age
Total number of start-up customers who have begun trading	220	100	45%
Potential High Value Start-ups (PHVSU). Businesses expected to start turning over in excess of £70k in the first year or employ at least 1 person	25	9	36%
High Value Start-ups (HVSU). Businesses that actually turning over in excess of £70k in the first year or have employed someone	20	5	25%
Number of start-up workshops/seminars held	72	37	51%
Number of clients attending start-up workshops/seminars	432	176	41%
Growth Services			
Local Growth Advisory Service (LGAS) businesses expected to increase annual turnover by £100k on 3 years	30	19	63%
Growth Advisory Service (GAS) businesses expected to increase annual turnover by £200k in 3 years	15	8	53%
Growth Pipeline (GP) businesses expected to increase turnover by £400k in 3 years, approved by Scottish Enterprise	6	3	50%
Account Managed (AM) Businesses who meet SE criteria for acceptance on to national account management structure	2	0	0%
Number of workshops aimed at Growing Businesses	60	26	43%
Number of clients attending growing business workshops/seminars	360	176	49%
ERDF Targets			
Number of Masterclasses held	5	1	20%
Number of Scottish Borders Business Fund grants issued	20	22	110%
Increase in Employees in assisted companies	40	30.5	76%
Number of businesses assisted to export for the first time	15	0	0%

- 3.3 As can be seen from Table 1, good progress is being made across the range of targets, with the exception of one or two. Start-up targets are going well for the period in question, as historically these pick up considerably over the winter months. The Higher Value Start-ups are behind profile at this point and this will be addressed in the coming months.
- 3.4 Growth targets are progressing well due to the increased focus on individual geographic areas that our new approach has supported. Having an area focus has allowed each of the growth advisers to identify new businesses to work with. There have been two businesses identified for Account Management and applications have been made to Scottish Enterprise (SE), although there is a delay in approval partly due to a resource issue at SE.
- 3.5 ERDF targets run for the calendar year. The Masterclass target has been reduced to 5 due to the delay in the funding and also a reduction of the funding. This has been reflected in Table 1 above. A second Masterclass is being run in October 2016 with significant numbers already booked on. The lack of progress on the 'Export' figure is due to an issue in recording activity rather than there being no businesses to record. This issue will be resolved in the coming months. Good progress is being made against jobs and the number of businesses accessing Council funding.
- 3.6 To help stimulate demand for the start-up service Business Gateway has held 7 workshops across the area during the period. These were in Kelso, Eyemouth and Galashiels with a total of 28 attendees. These are in addition to the regular weekly workshops that are run at Ettrick Riverside, Selkirk and which continue to be well attended. A new series of Saturday morning workshops will be delivered in November 2016.
- 3.7 Digital Boost Workshops have been run as part of a National Programme to help stimulate the use of IT in businesses in the Borders. A total of 30 workshops have been held with 190 attendees. This additional series of workshops is part of a joint project with Scottish Government, Scottish Enterprise and Local Government, being delivered by Business Gateway.
- 3.8 Performance against target has been strong when compared to last year. This is due to the new geographic area focus of the advisers, a shift away from the previous sector based approach. The advisers have been more visible across the Scottish Borders than they were previously able to be. Some of this is due to the additional work possible because of ERDF funding. More time has been spent working with intermediaries, with 72 meetings being held, and meeting businesses that have not worked with Business Gateway in the past. The advisers have also been attending more networking events. Where possible they have also looked for desk space in the main towns in their areas, in order to base themselves more locally.
- 3.9 ERDF funding was finally agreed in July 2016, allowing work to start on the targets shown above. Expert Help has only been available since that time, but has already been more successful than similar previous projects. This is mainly due to 100% funding now being available for consultancy projects on a limited basis up to a maximum of 4 days. Since the target of 10 Masterclasses was set funding has been reduced and this target will reduce as well. The first Masterclass was held in Hawick in June 2016 and the second Masterclass will be held in October 2016 in Kelso.

- 3.10 Scottish Borders Business Week 2016 is running from 7 - 11 November 2016. There are 12 events organised this year. The events are running on four main themed days: Innovation, Leadership, Exporting and Digital. The Borders Business Excellence Awards, run by Scottish Borders Chamber of Commerce, is being held on Friday 11 November 2016.

4 PERFORMANCE IMPROVEMENT PLAN 2016/17

- 4.1 The Business Gateway Business Plan 2016/17, approved by Executive Committee in May 2016, included a 9-point Improvement Plan for the service.
- 4.2 Appendix 1 sets out the Performance Improvement Plan and progress to date. Key highlights to note are:
- The implementation of a geographic approach for the Growth Advisers, creating a better reach across the Scottish Borders; and
 - The better service provided to start-up businesses

5 IMPLICATIONS

5.1 Financial

- (a) Scottish Borders Council receives funding to deliver Business Gateway in the Scottish Borders from the Scottish Government. Additional services are funded through EU funding, matched to the funding from the Scottish Government.
- (b) The in-house delivery costs of Business Gateway (£314,237 for 2016/17) are based on the budget available within the Council's five year Financial Plan agreed by Council.

5.2 Risk and Mitigations

- (a) While Business Gateway is performing well against target for this point in the year, there was difficulty in achieving growth targets last year. Failure to meet national targets could create potential for a reputational risk. These risks are being mitigated by a number of projects within Business Gateway to help identify businesses with growth potential. Included in this is the allocation of 5 growth advisers across the area, giving a better spread of support.
- (b) A risk workshop was undertaken in September 2016 and an Action Plan developed and implemented to mitigate the key risks. This Risk Register is reviewed quarterly. This is a continuous process to ensure that the service continues without incident.

5.3 Equalities

An Equality Impact Assessment (EIA) was carried out in March 2015 and the findings were incorporated in the Improvement Plan. A key aspect of the Economic Development service's work is to reduce barriers to economic inequality and information on service delivery to equalities groups is monitored. This is incorporated into the operations of the Business Gateway and is required by the Scottish Government through COSLA.

5.4 Acting Sustainably

The Business Gateway Service has a number of targeted outputs and outcomes that deliver economic benefit: these relate to the number of businesses assisted, new business start-ups, growth and local service priorities as defined by the Council.

5.5 Carbon Management

There is no net increase in carbon emissions at a Scottish Borders level as this is the continuation of an existing service delivery.

5.6 Rural Proofing

Rural Proofing is not required as proposals do not relate to new or amended Council policy or strategy.

5.7 Changes to the Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation.

6 CONSULTATION

6.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the report.

Approved by

Rob Dickson
Corporate Transformation and Services Director

Signature

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Background Papers: None

Previous Minute Reference: Executive Committee, 10 May 2016

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