
BUSINESS GATEWAY BUSINESS PLAN 2015 TO 2016

Report by Service Director Strategy & Policy

EXECUTIVE

12 MAY 2015

1 PURPOSE AND SUMMARY

- 1.1 This report sets out service performance in 2014/15 and seeks approval of a refreshed Business Plan for the delivery of Business Gateway services in the Scottish Borders to 30 September 2016.**
- 1.2 Overall performance of the service has improved in 2014/15. This is reflected in the achievement of targets and also feedback which noted overall satisfaction with the service at 86%. Most targets have been achieved or exceeded, and those below target have improved significantly since 2013/14.
- 1.3 The refreshed Business Plan (see Appendix 1) sets out how the Business Gateway service will develop during 2015/16. In terms of advice and information, it will offer greater breadth and depth to growing businesses in the Scottish Borders and it will seek to work with more businesses across the Borders. In addition, focus will be given to the opportunities presented by the arrival of the Borders Railway and the roll out of Superfast Broadband. Advisers will work with businesses to ensure that the benefits of these opportunities are maximised.
- 1.4 In the period up to March 2016 the Business Gateway service will continue to deliver against the national service specification. The refreshed Business Plan will, through utilising EU Funds, enhance the service delivery at the local level by aligning to the priorities in the Scottish Borders Single Outcome Agreement (SOA) and Scottish Borders Economic Strategy 2023.

2 RECOMMENDATIONS

I recommend that the Executive Committee:

- (a) Acknowledges the 2014-2015 service performance improvement and impact;**
- (b) Approves the 2015-2016 Business Plan for Business Gateway in line with the national service specification; and**
- (c) Agrees that an annual meeting is held with the Committee and a range of Business Gateway customers to receive feedback on service delivery and areas for further improvement.**

3 BACKGROUND

- 3.1 Business Gateway offers information, advice and guidance to people who are considering starting a business or growing their existing business. It is a national service with built-in local flexibilities. It is supported by the national Business Gateway Enquiry Service, the Business Gateway website (bgateway.com) and the national Business Gateway Unit located in COSLA.
- 3.2 The Business Gateway service is managed by lead local authorities and offers a "one stop shop" for business support enquiries as well as providing direct support and a conduit to other business support services provided by the Council and its partners, such as Scottish Enterprise and Skills Development Scotland.
- 3.3 The service specification for the 2012-17 Business Gateway service was developed nationally, and was approved by the Business Gateway Scotland Board on 21 November 2011. An obligation to deliver to a consistent standard and report in a consistent way is required of all lead local authorities with responsibility for Business Gateway in their area.
- 3.4 The Business Gateway service in the Scottish Borders operates from the Ettrick Riverside Business Centre in Selkirk. The team of 10 consists of 6 full time and 4 part time staff and includes a recently appointed manager.
- 3.5 The Business Plan for the period up to 2017 is updated on an annual basis. The latest Business Plan is set out in Appendix 1.

4 PERFORMANCE INDICATORS

4.1 The performance against key indicators and targets for 2014/15 is noted in the table below.

Service Output Targets			
	Target 2014/15	Actual 2014/15	Target 2015/16
Start-up Advisory Service			
Total number of start-up customers who have begun trading	220	225	220
Number of higher value start-up customers with agreed actions identified in Action Plan for Growth	20	17	25
Number of higher value start-up customers with completed Action Plans for Growth	8	10	10
Number of start-up workshops/seminars held	72	84	72
Number of customers attending start-up workshops/seminars	360	533	360
Growth Advisory Services for start-up and existing businesses			
Number of growth customers with agreed actions identified on their Action Plan for Growth	20	21	20
Number of growth customers accepted into growth pipeline relationship with SE	10	8	10
Number of growth customers accepted into account management relationship with SE	2	3	2
Number of growing business workshops/seminars held	10	13	25
Number of clients attending growing business workshops/seminars	40	166	125
BG Local Services			
Number of customers accessing local advisory services	400	670	400
Number of growth customers accepted into Local Growth Advisory Service ¹	45	41	45
Number of customers accessing local expert help services	30	9	30
Number of workshops/seminars held	72	71	50
Number of customers attending workshops/seminars	360	445	250

4.2 Overall, the performance of the service has improved over the last year in response to the range of improvements that managers and the team have delivered. The key points to note in respect of the performance indicators in the table above are as follows:

- (a) Business start-up numbers and local advisory services are greater than expected. This reflects demand from local businesses and the use of EU funding to extend the activities beyond the core national Business Gateway service offering;

¹ This is a local target for businesses with growth potential of £100,000 to £199,000 over three years and new for 2014/15; it is not included in national reports
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- (b) The 'growth' targets for 2014/15 were ambitious so not all of these targets have been met. However, there has been an important improvement in these figures compared to 2013/14. The structure of the business base in the Scottish Borders makes it difficult to attain the nationally set 'growth' criteria and highlights the need to develop and deliver a local service that meets the needs of businesses with growth potential in the Scottish Borders;
 - (c) In respect of Expert Help, the uptake from businesses was slower than anticipated. However, there are currently an additional 13 projects underway and these will be captured in the 2015/16 figures.
 - (d) The proposed targets for 2015/16 continue to place an emphasis on support for local businesses with growth potential and delivering services that meet local priorities. These are stretching but realistic targets that will contribute to the growth of the local economy.
 - (e) Following discussions at a national level, the targets set for workshops will be recorded slightly differently from April 2015. Full details are provided in Section 5a of the Business Plan.
- 4.3 Another important measure of performance is customer satisfaction and business survival rates. The Scottish Borders Business Gateway service performs well in both areas. The latest results of the independently delivered customer satisfaction survey have overall satisfaction in the Scottish Borders at 86%, compared with 85% nationally, and 86% of clients stating that they would recommend the service to a friend, colleague or family member, compared to 80% nationally.
- 4.4 The current figures for the survival of start-up businesses that have been supported by Business Gateway at 12 months and 36 months from date of commencing trading, for Scottish Borders are 96% at 12 months and 65% at 36 months. These compare favourably with the national figures of 78% at 12 months and 60% at 36 months. Another highlight of 2014/15 was the delivery of the first Scottish Borders Business Week in September which focused on events and the provision of knowledge to businesses.
- 4.5 The latest national independent evaluation of the Business Gateway service undertaken in 2011 established that the service contributed a net £6.80 additional GVA per £1 spent, meaning that for the Scottish Borders the service during 2015/16 is expected to add some £2.25 million to the local economy.

5 BUSINESS PLAN 2015/2016

- 5.1 The revised Business Plan sets out the opportunities to further develop the Council's in-house service delivery model. This delivers against the detailed national service specification and also provides a range of local services that meet the priorities set by the Scottish Borders Single Outcome Agreement (SOA) and the Scottish Borders Economic Strategy 2023. The Business Plan brings together the service and financial plans for Business Gateway for the period to 30 September 2016.
- 5.2 The Business Gateway service comprises three key elements. The first is a Start-up Advisory Service, which follows a national specification; the second is a Growth Advisory Service, also following a national specification; and finally Business Gateway Local Services which delivers local flexibility. These services are provided within a market segmentation model that targets the intensity and shape of the support provided.
- 5.3 In addition to providing these services, the Business Gateway service also supports: delivery of local marketing activities; participation in local and

national promotional and networking events; and advisory input to future online and other services. The Economic Development team also provides a link between Business Gateway and other business facing Council services (e.g. planning, procurement, licensing).

- 5.4 The Business Gateway service in the Scottish Borders will deliver against the core elements of the national service specification (Start Up and Growth Advisory Service), but it will also enhance the breadth and depth of the overall Business Gateway service through the further development of Local Services. These have been developed to better reflect the nature of the local business base and focus on local objectives to encourage increased business growth and to push up the number of businesses entering the business 'growth pipeline'.
- 5.5 A range of Business Gateway Local Services will be delivered as part of the new business plan. Business Gateway will increase focus on taking the service out across the Scottish Borders. This will include a range of Master Class events, covering topics such as innovation, motivation, sales and social media, through to September 2015 utilising EU funds. In addition Council offices will be identified in towns across the area where an adviser can hold regular sessions advertised to the local community. This activity will not only improve the service offered but also reach businesses and communities not currently using the service.
- 5.6 The Service will continue to provide workshops and events on issues that are key to local businesses, including leadership and development; e-commerce; social media; marketing and financial management; and other "hot" subjects of interest e.g. pensions auto-enrolment.
- 5.7 The team will work with colleagues and partners to maximise the impact of the arrival of both the Borders Railway and Superfast Broadband. The Business Gateway will promote the opportunities these investments offer to businesses, and advisers will work with businesses providing advice and information on how they can best exploit these opportunities.
- 5.8 Specialist advice will continue to be made available to potential growth business across issues such as resource efficiency, energy audits and action plans, ICT strategy and implementation, business strategy, e-commerce and organisational development. This links to the objectives of the Low Carbon Economic Strategy. Specialist advisers will be in place for the key sectors and they will be given a wider remit to operate in these sectors to increase capacity and collaboration between businesses. All of these services are designed to complement the support provided by other partners, in particular Scottish Enterprise and Skills Development Scotland.
- 5.9 Operationally, in order to reflect the priorities in the Scottish Borders Economic Strategy, the Business Gateway will adopt a proactive approach to its engagement with each of the key sectors, working with sector groups and intermediaries to ensure that businesses are aware of the services and benefits of working with Business Gateway. To facilitate this engagement a Business Gateway adviser has been nominated as lead adviser for each sector. This ensures that the Business Gateway has a good understanding of the issues within the sector and the impacts on the individual businesses.

- 5.10 Promotion and engagement are important elements of the service. In addition to national and local campaigns in the press, TV and local radio; working with partners and stakeholders is key to success. The Council is also building on well established links with business representative organisations (including Scottish Borders Chamber of Commerce, Federation of Small Businesses and the Exporters' Association) and intermediaries such as accountants and banks, to further promote the Business Gateway.
- 5.11 In order to help deliver the SOA high level priority to reduce inequalities in the Scottish Borders, in 2015/16 the Business Gateway service will continue its proactive approach to stimulating business and enterprise in our most disadvantaged communities, working in particular in areas including Burnfoot in Hawick and Langlee in Galashiels and with minority groups.
- 5.12 The Business Gateway service fits within a wider range of business support services delivered by the Council. This includes provision of access to finance (loans and grants), economic intelligence, business property, industrial developments, and inward investment activities. The on-going aim is to continue to fully integrate Business Gateway within the wider 'business facing' functions of the Council, while maintaining the required distinct Business Gateway brand identity. For example, the team is currently working the Procurement team to promote Council procurement opportunities to local businesses and assist businesses to develop their capacity to win public sector contracts through workshops and adviser surgeries.

6 PERFORMANCE IMPROVEMENT PLAN

- 6.1** In order to continue to build on the performance of the service, there are a series of activities that will be implemented during 2015/16 to further enhance the impact of the Business Gateway service. These include:
- (a) Development and delivery of 5 Master Class and Networking events across the area, to trial the effectiveness for businesses.
 - (b) Identifying suitable contact centres and using these for delivery of Business Gateway across the area.
 - (c) Establishing a Client Management system of operation for Growth Advisory Service clients. This will identify businesses with the greatest potential and formally allocate them to a client manager.
 - (d) Continuing to promote the benefits of the digital economy to businesses in the Scottish Borders through a dedicated adviser, workshops and activities linked to the roll out of Superfast Broadband.
 - (e) Proactive delivery of service and workshops to harder to reach areas and communities in the area. Working with our colleagues in Equality and Diversity to identify prospects to encourage engagement with the service.
 - (f) Introduction of the national Business Gateway CRM 2 as a recording and data base system for the department .
 - (g) Delivery of Scottish Borders Business month during October.

- 6.2 The development of improved local services, enhanced promotional activities and greater levels of stakeholder and partner engagement will drive forward the performance of the service, enabling it to meet the needs of local businesses and contributing to the development of the Scottish Borders economy. The Committee will receive regular updates on the performance of the Business Gateway service as well as an annual review and presentation of a new business/action plan each year.

7 IMPLICATIONS

7.1 Financial

- (a) Scottish Borders Council receives funding to deliver Business Gateway in the Scottish Borders from the Scottish Government. The additional "local services" are funded through EU funding, matched to the funding from the Scottish Government.
- (b) The in-house delivery costs of Business Gateway (£331,088 for 2015/16) are based on the budget available within the Council's five year Financial Plan agreed by Council on 12 February 2015.

7.2 Risk and Mitigations

- (a) As part of the on-going management of the Business Gateway a risk workshop was held in February 2015 with support from the Council's Corporate Risk Team. The Risk Register (see Appendix 2) is reviewed quarterly and actions undertaken as appropriate.
- (b) The main risks identified in the risk register relate to accessing the right type and number of business across the area, and potential changes to future EU funding. The Business Plan has been written to address these risks.

7.3 Equalities

An equality impact assessment (EIA) has been written with input from the Corporate Equality & Diversity Officer. A key aspect of the Economic Development Team's work is to reduce barriers to economic inequality and information on service delivery to equalities groups is monitored. Positive action will be taken by Business Gateway during 2015/16 to address issues raised through this exercise.

7.4 Acting Sustainably

The Business Plan for the Business Gateway service contains a number of targeted outputs and outcomes that will deliver economic benefit: these relate to the number of businesses assisted, start-up, growth and local service priorities as defined by the Council. As a lead local authority with Business Gateway responsibility, the Council must deliver against agreed priorities and report progress to the Business Gateway National Unit based within COSLA.

7.5 Carbon Management

By bringing the Business Gateway service in-house and using office space at Ettrick Riverside, Selkirk, there is no net increase at a Scottish Borders level as this is the continuation of an existing service delivery.

7.6 Rural Proofing

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

7.7 Changes to Scheme of Administration or Scheme of Delegation

No changes to the Scheme of Administration or Scheme of Delegation are required as a result of this report.

8 CONSULTATION

8.1 The Chief Officer, the Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR, the Service Director Interim Capital Projects and the Clerk to the Council are being consulted and their comments will be incorporated into the final report.

Approved by

Service Director Strategy & Policy

Signature

Author(s)

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Background Papers: None

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Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jim Johnstone can also give information on other language translations as well as providing additional copies.

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