
**Business Gateway Progress Report – 1 April 2014 to 31
December 2014**

Report by Service Director Strategy & Policy

EXECUTIVE

3 February 2015

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 2014 to 31 December 2014.**
- 1.2 Service delivery is aligned to the National 2012-2017 Business Gateway Service specification, with additional local services funded through EU Projects that add value to the “core” Business Gateway service. The Business Gateway Business Plan 2014/15 was approved in May 2014 and incorporated a Performance Improvement Plan to further enhance the service.
- 1.3 High numbers of clients continue to access Business Gateway services, reflected in the local advisory performance indicator sitting at 117% of target for the period to 31 December 2014. Performance in respect of business start-ups has remained strong over the period, at 99% of target. Performance against high value start-up and growth businesses remains lower than expected, however, performance is improving. We have placed three high growth businesses into the Scottish Enterprise Account Management Service (150% of target). The introduction of additional local growth support means that the pipeline of “local growth” businesses is beginning to come through and this will push up the outputs in relation to the growth service over time. In relation to qualitative measures of performance, the service continues to perform well with an overall customer satisfaction of 89% compared to a national level of 85%.
- 1.4 Progress against key performance targets is detailed in Table 1 in section 3.2 and an update on the Performance Improvement Plan is in Appendix 1. The first Scottish Borders Business Week was held week commencing 29 September 2014 with almost 300 people attending a series of workshops and events that raised the profile of local entrepreneurship and the Business Gateway service.

2 RECOMMENDATIONS

- 2.1 **I recommend that Executive:**
 - (a) Notes the improving performance of the Business Gateway Service to date and the actions planned for the future;**
 - (b) Continues to receive regular progress reports to monitor performance;**

- (c) Requests that the Business Gateway Business Plan for 2015/16 is presented to Executive in May 2015.**

3 BUSINESS GATEWAY PERFORMANCE

- 3.1 The service specification for the 2012-17 Business Gateway Service was developed nationally. Each local authority responsible for the delivery of Business Gateway service across Scotland is obliged to deliver to a consistent standard and to report in a consistent manner.
- 3.2 Table 1 below indicates the performance against target for the first nine months of this financial year to 31 December 2014.

Table 1 – 1 April 2014 to 31 December 2014				
Service Output Targets				
Start-up Advisory Service	Target 2014/15	Target¹ to 31 Dec 2014	Actual to 31 Dec 2014	% of Target to 31 Dec
Total number of start-up customers who have begun trading	220	152	151	99%
Number of higher value start-up customers with agreed actions identified in Action Plan for Growth	16	15	11	73%
Number of higher value start-up customers with completed Action Plans for Growth	8	5	5	100%
Number of start-up workshops/seminars held	72	54	61	113%
Number of customers attending start-up workshops/seminars	360	240	367	102%
Growth Advisory Services for start-up and existing businesses				
Number of growth customers with agreed actions identified on their Action Plan for Growth	20	15	14	93%
Number of growth customers accepted into growth pipeline relationship with SE	10	9	4	44%
Number of growth customers accepted into account management relationship with SE	2	2	3	150%
Number of growing business workshops/seminars held	10	8	12	150%
Number of clients attending growing business workshops/seminars	40	32	161	503%
BG Local Services				
Number of customers accessing local advisory services	400	300	469	117%
Number of growth customers accepted into Local Growth Advisory Service ²	45	33	28	85%
Number of customers accessing local expert help services	30	22	4	18%
Number of workshops/seminars held	72	54	48	89%
Number of customers attending workshops/seminars	360	270	268	99%

¹ Note that targets have been profiled monthly, as delivery of some targets is not flat over the year

² 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

- 3.3 As can be seen from Table 1, the **Start-Up** figures are broadly in line with the target for the period to the end of December, hitting 99% of target. In addition, the numbers of established high value start-ups (i.e. either achieving a turnover of greater than £70,000 or employing someone) is on target at 100% for the year. The potential "higher value" start-ups is behind target at 73%. As reported previously, higher value and growth targets are generally difficult to achieve due to the structure of the Scottish Borders business base and the current economic climate. In reality, these are relatively small numbers and the team is looking at options for continuing to provide additional high value/growth pipeline support in the 2015/16 business plan.
- 3.4 To continue to stimulate demand, Business Gateway has also delivered extra start-up workshops over the period including on Saturday mornings and a new "light" half-day outreach start-up workshop. This positions the service well to meet its overall annual target by the end of 2014/15. To ensure that the start-up target is achieved by the end of the year, the team will also be following up on all previous attendees and contacts to ascertain if they have started in business and offer any support that may be required.
- 3.5 The **Growth Advisory Service** performance remains lower than expected but has increased during quarter 3 as the restructuring of the Business Gateway team was completed. Additional local growth support available from the Business Gateway means that growth outputs will increase in the final quarter and beyond. There remains a strong pipeline of clients contacting the Business Gateway service, which should go some way to bringing the service close to the target figures. It should also be noted that the number of "growing business" workshops was boosted by the excellent range of well received workshops delivered during the Scottish Borders Business Week.
- 3.6 Finally within the **Local Services**, performance is strong. The overall total number of clients contacting and working with an adviser remains very robust, reflected in the local advisory performance indicator sitting at 117% of target. This is significantly ahead of target and reflects both demand and the reach of Business Gateway promotional activities. The service is behind on customers accessing "expert help". The uptake of expert help services has been slower than originally anticipated, as advisers need to get to know and understand the needs of our growth businesses and while there is a strong pipeline developing, it will be challenging to reach this target this year.
- 3.7 In addition to the activity and output targets noted above, the Business Gateway Service is also subject to an independently delivered **customer satisfaction** survey. The latest results of the survey have overall satisfaction in the Scottish Borders at 89% (Jul – Sept 2014), compared with 85% nationally. 91% of clients state that they would recommend the service to a friend, colleague or family member, compared to 87% nationally.
- 3.8 The final area where there is on-going monitoring of performance relates to the **survival of businesses** that have been supported by Business Gateway at 12 months and 36 months from date of commencing trading. The current figures for the Scottish Borders are 88% at 12 months and 66% at 36 months, which compare favourably with the national figures of 76% at 12 months and 67% at 36 months.

4 PERFORMANCE IMPROVEMENT PLAN 2014/15

- 4.1 The Business Gateway Business Plan 2014/15, approved by the Economic Development Group at its May 2014 meeting, included a 13 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 as follows:
- (a) The restructuring of the Business Gateway Team has been completed with appointment of a Business Gateway Manager; and
 - (b) As part of the Business Gateway's actions to ensure local availability the team has for the first time delivered workshops on a Saturday morning.
- 4.3 In addition to the core activity noted above, the Business Gateway also participates in the delivery of the EU supported South of Scotland Business Competitiveness Programme, which runs from January 2012 to September 2015, having been extended from March 2015 following additional support from the Scottish Government. This programme provides additional support to businesses in the tourism, food and drink and renewables sectors. The activities and outputs for this programme are delivered by staff based at the Business Gateway and in the Economic Development Team but due to the funding sources involved are recorded separately.
- 4.4 The key performance indicators and achievements for the Scottish Borders to end of September 2014 are noted in Table 2 below, and shows very good progress against targets:

Table 2 – South of Scotland Business Competitiveness Project Progress	Programme Target (Sep 2015)	Actual to end Dec 2014	% against target
Business Assists	240	332	138%
QA Scheme Support	52	60	115%
Marketing Support	60	160	260%
Marketing Projects	20	21	105%
Support for e-commerce	20	40	200%
e-commerce Projects	10	7	70%
Ecommerce strategies	5	1	20%
New Business Starts	10	53	530%
Environmental audits	5	6	120%
Green Tourism Support	25	3	12%
Support for Energy Saving	20	46	230%
Number of Jobs	64	98	153%

- 4.5 Green Tourism Support and E-commerce activities remain a priority for the final 9 months of the project, to ensure delivery of target. In relation to e-commerce activity, the team are working with the golf course businesses in the Scottish Borders to further develop the golf tourism product of the area, including trading online. The team is also working in partnership with Scottish Enterprise and Midlothian Council to develop a Borders Railway Tourism Development Programme in 2015, linked to the Borders Railway Blueprint.

5 IMPLICATIONS

5.1 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 (£327,880 for 2014/15) are based on the budget available within the Council's five year Financial Plan agreed by Council on 6 February 2014.

5.2 Risk and Mitigations

- (a) As noted above, performance against some key indicators is lower than expected and should this underperformance continue, whilst not being a financial risk, it does create potential for a reputational risk. This is being mitigated by increasing staffing resource levels in the Business Gateway Team and by implementing the Performance Improvement Plan.
- (b) A risk workshop was undertaken in August 2013 and an Action Plan developed and implemented to mitigate the key risks. This Risk Register is reviewed quarterly. It is intended that this exercise will be revisited in the preparation of the 2015/16 Business Gateway business plan to ensure that it remains relevant.

5.3 Equalities

An Equality Impact Assessment (EIA) is not required as this report relates to the continuation of the Business Gateway Service. A key aspect of the Council's Economic Development Team'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. However, as the service has been operating within the Council for over 24 months, it has been agreed that an EIA will be carried out during 2014/15 to ensure that the service meets best practice.

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.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, 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

David Cressey
Service Director Strategy & Policy

Signature

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Background Papers: None

Previous Minute Reference: Economic Development Group, 11 September 2014

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