

**THE HIGHLAND COUNCIL**  
**PLANNING, DEVELOPMENT AND INFRASTRUCTURE**  
**COMMITTEE**

Agenda Item	12
Report No	PDI 29/14

## **BUSINESS GATEWAY**

### **Report by Director of Development and Infrastructure**

#### **Summary**

This report updates Members on:

- Business Gateway Contract Performance for Quarter 1, 2014/15; and
- the integration of Business Gateway within the wider support activity provided by Highland Council.

The delivery of the Business Gateway service is directly supportive of the Council's commitment to the Highland economy, and specifically helps prioritise and support the creation of jobs in Highland.

## **1 The Business Gateway Service**

1.1 The Business Gateway service is the "gateway to business expertise" for the following private and social enterprise customers:

- people thinking of starting up in business;
- new business start-ups;
- local businesses seeking a wide range of support; and
- businesses with specific ambitions to grow.

1.2 It is a service that is free and is provided through a local network of business advisers based across Highland, a national website and a national contact and enquiry centre. While the Council is responsible for the service in Highland, it is delivered under contract by the Council's wholly owned Enterprise Trust, Highland Opportunity Ltd (HOL). The Council via this contract also delivers the service on behalf of Moray Council, under a shared service agreement.

## **2 Performance: 1<sup>st</sup> April 2014 to 30<sup>th</sup> June 2014**

2.1 The Development and Infrastructure Service meet HOL formally on a monthly and quarterly basis to review contract performance and to discuss and resolve emerging issues. Appendix 1 provides a detailed breakdown of performance for the 2014/15 operating year.

### **2.2 Start Up Activity**

Seventy one businesses have been supported to start up this quarter, with no area showing above or below average performance. Start-up activity is on target.

### 2.3 Growth Activity

No businesses have moved into pipeline or account management this quarter, however the target for supporting businesses that do not fit the criteria for HIE account management is just below profile, with 11 businesses being supported with growth action plans.

### 2.4 Advice to Existing Businesses, serving local markets

122 businesses have accessed advice this quarter which is just behind target.

### 2.5 Quality Assurance

Whilst the national quality assurance figures provide a picture of the level of satisfaction with the service received, the Highland Business Gateway team will be carrying out a complementary business survey to understand the challenges facing businesses and to inform the development of the Business Gateway services. A pilot in Skye and Lochalsh is underway with a feedback event due to take place in Broadford on 12 August 2014.

## 3 **Highland Council Business Support**

3.1 As detailed above, while HOL delivers the Business Gateway service, the Council is ultimately responsible for the service provided. A key rationale for the transfer of Business Gateway to local government in 2008 was the opportunity it afforded to improve links between other Council Services and Council business related activity, and the potential to add value to this activity for the benefit of business. To this end, Business Gateway is offered and promoted as the “one door” into an important portfolio of business interventions and business support, managed and delivered through HOL.

3.2 This added value activity includes:

- Business Finance

Highland Opportunity loans are on target for the year with 7 loans approved, totalling £121k.

As part of a Scottish local authority/Business Gateway initiative, HOL is now able to offer unsecured personal loans to businesses in their first 12 months of starting up a business. This loan scheme is based on a model already running in England and is financed by the UK Government. The loan fund is managed centrally by the West of Scotland Loan Fund, with the Business Gateway advisers supporting applicants to prepare to apply for business finance, HOL assessing any applications thereafter made, and making recommendations for approval.

The Business Gateway Plus programme, which is funded by the Council with ERDF support and provides one to one support for businesses to “access finance” and “find, tender and win contracts”, has provided support to 28 businesses this quarter.

- Enterprise Europe

This service includes advice and support to businesses to internationalise, and

support to businesses to compete for and win public sector contracts. Enterprise Europe is managing and delivering the Access to Finance and Public Sector Procurement Business Growth Programme.

- Prince's Trust Youth Business Scotland (PTYBS)  
In addition to the Business Gateway service, PTYBS provides mentoring support, and both grant and loan finance to young people aged 18-30. Activity has been quiet this quarter with just one application for a market test grant and one for growth funding.
- Create and Employ  
The Create and Employ project continues to provide free specialist advice for all aspects of taking on an employee, especially for the first time, and works with the Council's Employability team to encourage take up of the Highland Council Employment Grant and the Graduate Grant.
  - 71 business this quarter and 561 businesses have accessed advice since the project started in February 2012.
  - 268 businesses have received employment grants, 50 this quarter, which is the busiest quarter since the project started.
  - Allied to this project, 57 graduate employment grants have been approved since the start of the project in 2013 with 10 applications approved this quarter.
  - The service continues to provide a 'gateway' to all other employment related agency support to help businesses identify and appraise all of the support locally and to signpost them to the support most suited to their needs.
- Highland and Island's Digital Engagement Programme  
This programme continues to provide businesses with one to one specialist help, and training workshops until June 2015. Work is ongoing with HIE and partners to seek an extension to this programme.
- New Enterprise Allowance  
Highland Council is part of a Scottish wide local authority consortium bid to deliver the New Enterprise Allowance scheme. This Department of Work and Pensions scheme provides start up advice and mentoring support to individuals who are unemployed but seeking to start-up their own business. If successful this will allow HOL to provide a joined up service for clients starting a new business, as currently this service is provided by a third party.

## **4 Implications**

### **4.1 Resource**

The Business Gateway contract is fully funded from the 2014/15 Development and Infrastructure Service budget. Additional activity is funded from the European Regional Development and Social Funds, the Service's Council economic initiatives and employability funds and HOL loan finance.

At the current time work is ongoing across the new European programmes to identify opportunities to secure match funding for future business development activity.

4.2 Equalities, Climate Change/Carbon Clever, Risk, Rural and Gaelic

There are no direct legal, equality, climate change/Carbon Clever, risk, rural or Gaelic implications directly arising from this report.

**Recommendation**

The Committee is recommended to:

- note the Business Gateway core service, its delivery and the wider business support provided; and
- note performance for the 1<sup>st</sup> Quarter of the Operational Year 2014/15.

Designation: Director of Development and Infrastructure

Date: 4<sup>th</sup> August 2014

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**APPENDIX 1:  
Key Performance Indicators**

The performance indicators and targets used for the delivery of the service are dictated by the national Business Gateway model and reflect the key priorities of business start-up and growth. Support for growth is the key priority for the service. It does however, allow an amount of local discretion to provide a service that is responsive to local needs and changing economic circumstances.

The key Performance Targets and performance for the year 2014/15 are outlined below:

<b>Start Up Advisory Service</b>	<b>Qtr 1</b>	<b>Target 2014/15</b>
Number of volume start up clients who have begun trading	71	<b>272</b>

<b>Growth Advisory Service</b>	<b>Qtr 1</b>	<b>2014/15</b>
Number of growth companies assisted with growth action plans	11	<b>50</b>
Number of growth companies accepted into a growth pipeline relationship with HIE (seeking to grow turn over by £200k over next 3 yrs.)	0	<b>20</b>
Number of growth companies accepted into HIE account management	0	<b>14</b>

<b>Local Business Advice</b>	<b>Qtr 1</b>	<b>2014/15</b>
Number of existing businesses accessing advisory services	122	<b>650</b>

<b>Loan Activity</b>	<b>Qtr 1</b>	<b>2014/15</b>
<b>Highland Opportunity Loan Funds</b>		
Number of loans	7	<b>30</b>
Value	£121,785	<b>£500,000</b>
<b>Princes Trust Youth Business Scotland</b>		
Number of clients supported with loans or grants.	1	<b>30</b>
<b>Number of jobs created and retained as a result of loan activity</b>	43 of which 18 are new jobs	HOL Board to define target Oct 14

**Definitions:**What is a growth company?

A company that has ambitions to grow its turnover by £100k over the next three years.

What is a growth pipeline company?

A company that has ambitions to grow its turnover by £200k, over the next three years.

What is Account Management?

A business that is in process of or will meet the turnover criteria for account management with HIE and is in a growth sector, defined as education, business services, food and drink, tourism, creative industries, energy and life sciences.

Note: For growth pipeline and account management, although the criteria for access to account management is growth in turnover of £200k over a three year period, the criteria differs in fragile areas, for certain sectors and business types, e.g. social enterprise and activity such as internationalisation.

What is meant by “existing businesses”?

An existing business is any local business that is seeking support whatever its growth aspirations. This will include businesses seeking support to survive in a challenging environment.