

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 3 June 2009

Subject: Performance Report - Delivery of Business Gateway Services

1. Purpose

- 1.1** This report provides the Committee with information on the management and delivery of Business Gateway services in Dunbartonshire from April 2008 - March 2009.

2. Background

- 2.1** Business Gateway provides business information, advice, support and training to local businesses at all stages of their development. The model is based on a one to many service design. It offers limited access to one to one adviser support, only providing this to businesses with growth potential.
- 2.2** Responsibility for the management of Business Gateway delivery passed to Local Authorities across Scotland in April 2008. The Dunbartonshire Business Gateway is managed by West Dunbartonshire Council, as Lead Local Authority. The area encompasses three Local Authority areas, West Dunbartonshire, East Dunbartonshire and Argyll & Bute (Helensburgh & Lomond district).
- 2.3** A Business Gateway Partnership Group has been established with the three Dunbartonshire Local Authorities, meeting on a quarterly basis to discuss contract performance and local issues.
- 2.4** Business Gateway service delivery is covered by a 5 year contract which runs from October 2007 - October 2012.
- 2.5** Responsibility for the Business Gateway National Core services was retained by Scottish Enterprise following the transfer of the Business Gateway contract to the local authorities.

- 2.6** A National Transition Steering Group, with members drawn from Scottish Government, COSLA, Scottish Local Authority Economic Development (SLAED) and Scottish Enterprise (SE), is co-ordinating the transfer of these activities and budgets to Local Authorities. Marketing & Branding and Performance Management & Quality Assurance moved over from April 2009. A National Business Gateway Unit, an overarching governing body, is being established, and it seems likely that the remaining functions will pass over to local authority control in due course.
- 2.7** Quality Assurance reports from Scottish Enterprise (SE) have consistently highlighted positive feedback from follow up calls to local Business Gateway clients, with particular reference to quality of advice and high standards in events delivery.

3. Main Issues

- 3.1** The revised Business Gateway delivery model in the current economic climate has been challenging for the economic profile of business formation and growth across Dunbartonshire. West Dunbartonshire has the lowest VAT registrations, and the second lowest new business formation per head of population in Scotland. Concern was raised at an early stage by the Lead Local Authorities' operational forum that the VAT+ target, set at 30% of starts across the network, is highly ambitious, and, more recently, has been questioned by the operational forum as the most appropriate indicator of growth potential.
- 3.2** A formal variation of the Business Gateway contract (2008-09), has been drawn up and agreed with partner local authorities to allow for enhanced, one to one adviser support to be provided, alongside one to many events, to increase start up levels, and improve access to funding and Local Authority Business Support Programmes. Increased demand for adviser support is being experienced as a result of the economic downturn, and this is expected to increase over the next year.
- 3.3** The Tables below show performance against Start up and Business Base targets from April 2008 - March 2009. Figures are for the whole of Dunbartonshire, then broken down by local authority area.

Table 1 - Business Start-Up Support

Activity (Start Up)	SE Target	Revised Target	Achieved (to 31 March 2009) Dunbartonshire	Performance by LA area		
				WDC	EDC	A&B
Vol. Starts	500	500	509	243	178	88
VAT+ Starts	110	40	42	13	20	9
Start Up events	105	130	134	93	24	17
S/Up Meet the Adviser Events	0	465	487	242	163	82
Accepted by SE to Growth Pipeline	10	8	6	2	2	2
Accepted to SE for DRM	5	3	2	0	0	2

Table 2 - Existing Businesses

Activity (Business Base)	SE Target	Revised Target	Achieved (to 31 March 2009) Dunbartonshire	Performance by LA area		
				WDC	EDC	A&B
Events	70	50	52	52*	0	0
Meet the Advisor Events**	0	20	20 (Only added Jan 09)	8	8	4
Accepted by SE to Growth Pipeline	10	8	8	7	1	0
Accepted by SE to DRM	5	3	1	1	0	0

* Business Base events held at Flagship Office - Clydebank. Open to all areas.

** Response to Economic Downturn

4. Personnel Issues

- 4.1** An Economic Development Officer was recruited in August 2008 to manage the contract.

5. Financial Implications

- 5.1** The funding for the Business Gateway contract comes direct from the Scottish Government and is in place for the 5 year term. The average annual value of the Business Gateway contract is £520,000. In addition, an annual contingency allocation (£73,698) is made by the Scottish Government to cover staff costs and overheads

6. Risk Analysis

- 6.1** There is a risk that if the contract is not properly managed it could affect the level of service available to clients, which in turn could have a detrimental effect on both the local economy and the reputation of West Dunbartonshire Council.

7. Conclusions & Officers' Recommendations

- 7.1** The first year of Local Authority management of the Business Gateway contract shows the contractor has managed to deliver the revised targets within budget.
- 7.2** Key Performance Indicators continue to be closely monitored and, where necessary, the appropriate corrective action taken.
- 7.3** The Committee is invited to note the contents of this report.

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Appendices: None

Background Papers: None

Wards Affected: All