

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by Executive Director of Housing, Environmental and Economic Development**

**Housing, Environment and Economic Development Committee: 5 March 2008**

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**Subject: Future of Scotland's Enterprise Networks - Business Gateway Contract Transfer from Scottish Enterprise**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise the Committee on the current position in relation to the transfer of the Business Gateway Contract from Scottish Enterprise Dunbartonshire and to seek Committee's agreement that West Dunbartonshire Council act as lead authority for the transfer and management of the contract for the Dunbartonshire area.

#### **2. Background**

- 2.1** Committee will recall a report on the future of Scotland's Enterprise Networks to its meeting of 7 November 2007, which summarised the proposals by John Swinney, the Cabinet Secretary for Finance and Sustainable Growth, in relation to the proposed changes to Scotland's Enterprise Networks to be employed in implementing the Scottish Government's Economic Strategy.
- 2.2** Noting the proposed changes, the Committee instructed that update reports be provided as negotiations on the transfers progressed.

#### **3. Main Issues**

- 3.1** One of the specific proposals which Mr Swinney announced was the transfer of Business Gateway, which provides advice to new start and existing businesses, to local authorities prior to 1 April 2008.
- 3.2** The Business Gateway contract for Dunbartonshire covers East Dunbartonshire Council, West Dunbartonshire Council and part of Argyll and Bute Council. A new contract was awarded in October 2007 to Business Development Advisers (BDA) and runs for three years with provision for extension of two further single years. The contract value is £520,000 and is not disaggregated by Authority, the outcomes requiring to be delivered across Dunbartonshire.
- 3.3** CoSLA are leading on the negotiations with Scottish Enterprise and the Government on behalf of Local Authorities and appointed a Project Manager to oversee the process.
- 3.4** The Project Manager requested that each area nominate a lead authority to manage the contracts where these covered more than one local authority.

Discussions among senior officers of East Dunbartonshire, West Dunbartonshire and Argyll and Bute, resolved that West Dunbartonshire should act as the lead authority for the transfer and management of the Dunbartonshire Contract, subject to a structured agreement being developed between the authorities in relation to governance arrangements.

- 3.5** Scottish Enterprise Dunbartonshire have carried out a scoping exercise in relation to TUPE and have identified a staff transfer in relation to day-to-day management of the contract. CoSLA are still in negotiation with Scottish Enterprise and the Government over the precise value of the whole resource which will be transferred. However, early discussions will be required to facilitate a smooth transfer of staff identified. No formal transfer would take place until CoSLA have confirmed that they have reached an appropriate settlement with Scottish Enterprise and the Government.

#### **4. Personnel Issues**

- 4.1** It is anticipated that there will be a transfer of one member of staff from Scottish Enterprise Dunbartonshire to the Council under TUPE arrangements and this will require detailed discussion with Corporate Personnel and Finance.

#### **5. Financial Implications**

- 5.1** The transfer of staff and resources to cover the contract value will be transferred to West Dunbartonshire Council, however, negotiations continue in relation to core services and overheads. The transfer will only proceed if these are cost neutral to Councils.

#### **6. Risk Analysis**

- 6.1** If the contracts are not transferred to local authorities (subject to satisfactory arrangements) there is a risk that the Business Gateway Service would collapse with a consequent failure in support of businesses locally in West Dunbartonshire and throughout Dunbartonshire and a consequential reputational damage to local authorities. However it is essential that a full risk analysis on the structure of the current contracts take place by local authorities to ensure their sustainability or otherwise.

#### **7. Conclusions**

- 7.1** The Business Gateway contract for Scottish Enterprise Dunbartonshire will be transferring to local authorities prior to 1 April 2008.
- 7.2** West Dunbartonshire have been identified by the partner local authorities within Dunbartonshire to be the lead local authority to transfer and manage the Business Gateway contract for the next five years, subject to a formal agreement on governance arrangements being developed between the partner authorities.

- 7.3** It is anticipated that appropriate staff and resources will be transferred to West Dunbartonshire Council to deliver the contracts. Negotiations are still being conducted by CoSLA and it is intimated that there will no financial implications for the Council.
- 7.4** Failure of the Councils to facilitate a satisfactory transfer would potentially be damaging however it will be incumbent on Councils to properly assess the adequacy of the transferring contracts to provide sustainable services as a matter of urgency.

## **8. Recommendations**

### **8.1 It is recommended that:**

- (a) Committee note the terms of the report;**
- (b) agree that West Dunbartonshire Council shall act as lead authority for the transfer and management of the Business Gateway contracts subject to adequate funding and resources being transferred; and**
- (c) that authority be delegated to appropriate officers of the Council to conclude the arrangements concerning the transfer and service level agreements with East Dunbartonshire Council and Argyll and Bute Council.**

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economic Development**

**Date: 20 February 2008**

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**Appendices:** None

**Background Papers:** Statement by John Swinney, Cabinet Secretary for Finance and Sustainable Growth on 26 September 2007

**Wards Affected:** All