
Business Gateway – Business Support Briefing

1.0 EXECUTIVE SUMMARY

- 1.1 At the last Policy Review and Scrutiny (PRS) Committee meeting it was agreed that a report was to be brought to the next meeting of the Committee providing information on the number of business start-ups supported by Business Gateway in Argyll and Bute; the survival rate for new businesses in existence over one and three years; and the impact on employment statistics across the area.
- 1.2 For the year to date (April to August 2015) a total of 43 new businesses started up with support from Business Gateway. Targets are set by quarter and at the end of the first quarter of 2015/16, performance was at 112% of target. The target for the second quarter of 46 was also achieved. October results will be available by the date of the meeting.
- 1.3 The start-ups supported break down by administrative area to three Bute and Cowal (BC), 17 Helensburgh and Lomond (HL), 10 Mid Argyll Kintyre and Islay (MAKI) and 13 Oban, Lorn and the Isles (OLI). All areas except BC are on track to hit their annual target, with the year-to-date position broadly in line with last year. However, start-up performance remains poor for BC, despite similar levels of adviser appointments as last year, when 29 starts were supported. This variation is being reviewed to see if a reason can be established for the drop in start-up activity.
- 1.4 The survival rate of businesses supported by Business Gateway is tracked via a national study. This shows the one year survival rate as 91%, ahead of target (77%) and above the Business Gateway national average of 81%. This relates to a rolling twelve month average to June 2015.
- 1.5 The three year survival rate reported by the tracking study is currently 67%, ahead of target (62%) and above the Business Gateway national average of 61%. This relates to a rolling twelve month average to June 2015.
- 1.6 The projected full-time equivalent (FTE) jobs created (including the business owner) by the start-ups supported is 51 year-to-date (YTD) (April to August 2015). This is an average of 1.19 FTEs per business.

1.7 The recommendations for the PRS Committee are as follows:

- Members note the overall information provided.
- Members note the Business Gateway activities and reporting frameworks; and
- Members note the links to wider Business Gateway and Argyll and Bute Council activity supporting economic development and growth.

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2.0 INTRODUCTION

- 2.1 Business Gateway is a national service, delivered via local authorities, providing free, confidential and impartial advice to new and existing businesses in Scotland.
- 2.2 Business Gateway makes an important contribution to the aim of growing Scotland's economy and local economies by offering support and encouragement to both new start businesses and existing small businesses. It also enables local authorities to identify emerging businesses with high growth potential to ensure that such businesses are referred to the Enterprise Agencies for further support in their growth.
- 2.3 The national elements of Business Gateway support include a website and an advice service. The local elements of Business Gateway support include business advisers, workshops, information and guides, and referrals.
- 2.4 The 'unique selling points' of the service are that it offers:
- an impartial, objective and confidential 'safe space' for clients to explore ideas and discuss problems;
 - assistance to all businesses regardless of size or sector;
 - strong local knowledge within the team;
 - access to a wide network of contacts established across Scotland in both the public and private sector;
 - support across all of Argyll and Bute, including its islands;
 - the ability to put clients in touch with each other where appropriate;
 - support given in various ways to suit the clients – face-to-face, email, telephone, workshops, factsheets, webinars; and
 - support that is totally free at the point of delivery.
- 2.5 Since launching across the whole Argyll and Bute area in 2009, activity levels have increased and the council's in-house Business Gateway service has supported over 800 new start-up businesses and almost 2,500 existing businesses, delivered nearly 550 workshops, provided more than 3,000 adviser meetings and handled more than 7,500 enquiries in total.
- 2.6 At the last PRS Committee meeting it was agreed that a report be brought to the next meeting of the Committee providing information on the number of business start-ups supported by Business Gateway in Argyll and Bute; the

survival rate for new businesses in existence over one and three years; and the impact on employment statistics in Argyll and Bute.

3.0 RECOMMENDATIONS

3.1 The recommendations for the PRS Committee are as follows:

- Members note the overall information provided.
- Members note the Business Gateway activities and reporting frameworks; and
- Members note the links to wider Business Gateway and Argyll and Bute Council activity supporting economic development and growth.

4.0 DETAIL

Performance Summary Requested

- 4.1 For the year to date (April to August 2015) a total of 43 new businesses started up with support from Business Gateway. Targets are set by quarter and at the end of the first quarter of 2015/16, performance was at 112% of target. The target for the second quarter of 46 was also achieved. October results will be available by the date of the meeting.
- 4.2 The start-ups supported break down by administrative area to three Bute and Cowal (BC), 17 Helensburgh and Lomond (HL), 10 Mid Argyll Kintyre and Islay (MAKI) and 13 Oban, Lorn and the Isles (OLI). All areas except BC are on track to hit their annual target, with the year-to-date position broadly in line with last year. However, start-up performance remains poor for BC, despite similar levels of adviser appointments as last year, when 29 starts were supported. This variation is being reviewed to see if a reason can be established for the drop in start-up activity.
- 4.3 The survival rate of businesses supported by Business Gateway is tracked via a national study. This shows the one year survival rate as 91%, ahead of target (77%) and above the Business Gateway national average of 81%. This relates to a rolling twelve month average to June 2015.
- 4.4 The three year survival rate reported by the tracking study is currently 67%, ahead of target (62%) and above the Business Gateway national average of 61%. This relates to a rolling twelve month average to June 2015.
- 4.5 The projected FTE jobs created (including the business owner) by the start-ups supported is 51 YTD (April to August 2015). This is an average of 1.19 FTEs per business

Performance information available

- 4.6 Business Gateway reports two key measures quarterly which feature in the Council's Single Outcome Agreement (Outcome 1: The economy is diverse and thriving) and its Economic Development Action Plan – namely the number

of new start-up businesses supported and the number of existing businesses supported. Data is provided by council administrative area and is reported on Pyramid. http://pyramidlive.argyll-bute.gov.uk/QPR2012/Portal/QPR.Isapi.dll?QPRPORTAL&*prmav&SES=DT RBW1McYK1wmO2uuHEZQA&FMT=p&LAN=en%u002c1&DTM=&RID=2818872571057050549

- 4.7 In addition a further three measures are also reported via Pyramid – customer satisfaction, the survival rate of supported new start businesses after 12 months and the survival rate of supported new start businesses at 36 months. National benchmarks are used against all these measures. Data is available at an Argyll and Bute level only and is provided by national tracking studies managed by the Business Gateway National Unit.
- 4.8 More detailed performance is reported monthly to the Business Gateway National Unit for 17 measures, relating to the Business Gateway services outlined in the Partnership Agreement that covers service provision. (See **Appendix 1**).
- 4.9 In addition, the management information monitored by the team provides a further level of detail on performance including clients supported by sector, enquiry levels, adviser meetings and grant applications, all by council administrative area.
- 4.10 Qualitative performance information is also available via the feedback sheets issued at all Business Gateway workshops, and the results of the monthly quality assurance programme. This monthly programme, run by the Business Gateway National Unit, issues an email survey to every single contact that has used the Business Gateway service in the previous month, whether through the local office, workshop, website or enquiry service.
- 4.11 In addition, over 60 case studies of clients supported by the local Business Gateway are available (see **Appendix 2** for two examples).

Other Business Gateway Activity

- 4.12 Growth grant schemes in particular have been effective in engaging businesses with growth potential. Once engaged, these businesses can access other Business Gateway products as part of a pipeline of growing businesses receiving ongoing support and development to help them achieve their growth potential.
- 4.13 Building on the success of earlier pilot growth grant schemes, in March 2015 a Strategic Intervention application was submitted by Argyll and Bute Council for European Regional Development Fund (ERDF) support for enhanced support to growth businesses via Business Gateway. This is currently pending approval by the Scottish Government. The total programme spend proposed is £544,200 to December 2018, leveraging £205,965 of ERDF funding. The Argyll and Bute Council match funding is provided by leveraging the annual budget allocated to core Business Gateway growth activity, with a contribution

from the Economic Development departmental budget. The menu of support proposed includes specialist advice, growth grants, graduate placements, growth workshops, regional specific entrepreneurial support and key sector support. The target date for launching Business Gateway ERDF activity nationally is January 2016, subject to approval timescales.

Other Council Activity

- 4.14 The Business Gateway service aligns and complements with other activities delivered by the whole Economic Development and Strategic Transportation service, for example:
- sectoral focus, particularly (but not exclusively), tourism, food and drink, renewables, creative industries and forestry where Business Gateway staff assist in developing sectoral businesses with growth potential;
 - thematic focus such as skills development through workforce development and promoting employability issues such as the Scottish Employer Recruitment Incentive delivered by the service's Employability Team;
 - town centre regeneration – integral part of the new Team Towns approach;
 - infrastructure developments and connectivity (including digital); and
 - working with the European Team and the Argyll and the Islands Local Action Group to develop a Small Business Support Scheme under the new Argyll and the Islands LEADER Programme, to be launched late 2015/early 2016.
- 4.15 Business Gateway staff also liaise closely with other council services such as Planning and Regulatory Services, which encompasses Environmental Health and Training Standards activities.

5.0 CONCLUSION

- 5.1 Business Gateway support provided links directly to the Council's SOA Outcome 1: The economy is diverse and thriving.
- 5.2 Business Gateway results are tracked and reported both locally and nationally.
- 5.3 Business Gateway is one element of the council's support towards developing the economy of Argyll and Bute.

6.0 IMPLICATIONS

- 6.1 Policy Business Gateway provision aligns to the Council's SOA and Economic Development Action Plan *training opportunities are aligned to economic development opportunities both within Argyll and Bute and nationally* and SOA outcome 5.6.3: *Reducing inequalities through employment/ employability.*

- 6.2 Financial Business Gateway works within its allocated budget and wherever possible, uses this as match to lever in additional European funding to enhance services.
- 6.3 Legal Business Gateway delivers against the service specification outlined in a Partnership Agreement signed by Scottish Local Government, Highlands and Islands Enterprise and Scottish Enterprise.
- 6.4 HR Business Gateway support is delivered by an in-house Argyll and Bute Council team, with external contractors procured as appropriate.
- 6.5 Equalities Business Gateway has no adverse impact on key equality groups and the support can positively help disadvantaged individuals move into self-employment. The service provided complies with all Equal Opportunities policies and obligations..
- 6.6 Risk There is limited risk for the council as the team has the skills and resources needed to deliver the required Business Gateway service. If budgets were to be reduced there is a risk that the service would not be able to deliver against the Partnership Agreement.
- 6.7 Customer Services Business Gateway customer satisfaction levels are routinely independently monitored and reported on the departmental, service and team scorecards. Feedback is used to improve the customer experience wherever possible.

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Appendix 1: Business Gateway Reporting Measures and 2014-15 Results

2014-15 results¹

	2014-15 Target	2014-15 Result	Status Indicator
Council Scorecard			
Start-ups supported	110	112	Green
Existing businesses supported	300	747	Green
Customer satisfaction	85%	86%	Green
12 month survival rate	75%	89%	Green
36 month survival rate	60%	71%	Green
BGNU Performance measures			Green
Start-ups supported	110	112	Green
PHVS Supported	8	10	Green
HVS Supported	3	4	Green
Starts into GAS	2	5	Green
Existing Businesses into GAS	10	11	Green
Starts into GP	1	3	Green
Existing Businesses into GP	6	2	Red
Starts into AM	0	2	Green
Existing Businesses into AM	3	1	Red
Local expert help	12	10	Red
Local advisory services	345	506	Green
Start-up events	20	19	Red
Start-up event attendees	100	90	Red
Growth events	5	27	Green
Growth event attendees	30	217	Green
Local events	40	62	Green
Local event attendees	240	501	Green

The cumulative projected FTE (full time equivalent) jobs created (including the owner) within start-ups supported by Business Gateway last year was 128.5

¹ **PHVS: Potential High Value Start** – a supported start-up with the potential to reach £70k turnover or employ one or more staff within 18 months, who has agreed a Growth Action Plan with an adviser.

HVS: High Value Start - a supported start who has achieved turnover of £70k or taken on one or more staff within 18 months after agreeing a Growth Action Plan with an adviser.

GAS: Growth Advisory Service – for clients with the potential to increase turnover by £100k or more within 3 years who have agreed a Growth Action Plan with an adviser.

GP: Growth Pipeline – for clients with the potential to increase turnover by £200k (HIE area) or £400k (SE area), referred by Business Gateway and subsequently accepted for supported by HIE or SE after review.

AM: Account Management – for clients referred by Business Gateway and subsequently accepted for full account management by HIE or SE after review.

Local expert help: Specialist advice on HR, marketing, eCommerce or growth strategy.

Local advisory services: Unique clients accessing adviser support, where the client does not meet the growth threshold for PHVS, HVS, GAS or GP support.

Local events: workshops that are not included within the core Business Gateway start-up or growth workshop catalogue.

Appendix 2: Example Case Studies

INVERARAY BUSINESS HITS THE RIGHT NOTES

July 2015

A musician who specialises in teaching the piano and harp has set up her own business offering tuition and bespoke musical compositions for special occasions.

Alicia Chapple from Inveraray set up Wild Mountain Heather after she composed a unique piece of music for her friend's new baby.

Receiving support from Argyll and Bute Council's Business Gateway service, Alicia now produces original scores and recordings to celebrate special life events as well as being in demand as a tutor throughout Argyll. Alicia's unique gifts have been commissioned to honour weddings, birthdays, anniversaries and openings.

Alicia said: "My friend was having a baby and I wanted to mark the occasion in a special way and with my background in music creating a musical gift seemed the obvious and natural thing to do. Composing was a hobby at this stage and it took me another year or so to really formulate what I wanted to do in terms of setting up a business. In addition to gifts for special occasions, I have written waltzes, charity themes and pieces for The Argyll Clarsach Society. "

"My clients are not only given a recording but also a framed copy of the score and the feedback I've had so far has been lovely. Creating music for someone's life event is a privilege and can't be replicated and I like the fact that I have been able to capture a special moment for someone through my music."



Although Alicia is regularly creating music for customers, it is her tutoring which has become the focal point of her business. Her piano and harp classes remain a hit throughout the region with the pupil list continuing to increase.

Alicia added: "Since I moved back to Argyll last year the demand for instrumental

tuition has been significant. I now have a number of pupils in both piano and harp and regularly teach workshops for both adults and children. As the demand in this region is high I will be looking for premises in Mid-Argyll soon and I would like to expand to include other specialist music teachers."

"I attended several of Business Gateway's courses and was very impressed with the quality so I made sure I went along to more. All the workshops, on subjects like website development, social media, marketing and bookkeeping, were free and professionally run. I also found they were a great way to connect with other people who are also thinking of starting up their own business."

Donald Melville, Business Adviser for Business Gateway said: "Alicia took advantage of our free workshop programme which is specially designed to arm new and existing business owners with the knowledge and skills to run a successful venture. Now, we are working with Alicia on a one-to-one support basis as she develops Wild Mountain Heather Music further."

LUSS BOAT COMPANY IS ON A CREST OF A WAVE

April 15

A boat trip company that operates on Loch Lomond is offering customers even more opportunities to explore the area this summer.

Loch Lomond Leisure founded by Paul Dzierzek in 2001, offers speedboat tours and activities while also catering for stag and hen parties, functions, weddings and corporate days.

With support from Argyll and Bute Council's Business Gateway, Paul and his team are now giving visitors to the Loch even more options to enjoy the water including rowing boats, pedal boats, canoes, kayaks, stand up paddle boards and water-sports.

Paul said: "I have owned a few businesses in the past but for the last four years Loch Lomond Leisure has been my sole focus. In this time, we have grown substantially and we hope to continue to do so. We remain very popular with visitors who are keen to explore the Loch and get up close to the islands that surround it. Getting out on a boat is the best way to do this and lets you enjoy fully the beauty and magnificence of the water. We also provide packages for groups and we just felt that it was the right time to start offering some more activities and so this year we have made a significant investment in staff training and new equipment."



Paul, 37, who is originally from Edinburgh but now lives near Luss, first set up Loch Lomond Leisure as boating was a childhood hobby that continued into his adulthood. Spending many weekends and holidays around Loch Lomond Paul knew the beauty and popularity of the region.

Starting out with just one boat, the company now has six boats and employs 12 members of staff, which Paul expects will rise to 20 in the next few months. After receiving funding from both Argyll and Bute Council and Skills Development Scotland, Paul was able to put his growth plan into effect and is hoping to expand even further in the next three years.

Paul added: "We have a significant three year growth plan which will see us not only expand on what we're offering on the water, but also land activities. The support our adviser at Business Gateway gave us meant we were in a strong position to apply for funding and take the steps required to grow. We have also recently moved into the Luss visitor centre which is fantastic as we will be teaming up with them to offer customers some great deals."

Ann Scott, Business Adviser for Business Gateway said: "Paul is an experienced businessman but he appreciated that external help can be important to a business regardless of the stage they are at. As Paul was looking to grow Loch Lomond Leisure we supported him in various ways including signposting him to potential funding avenues. We were delighted he was successful in securing Business Gateway Plus funding as it will help him to put his growth plans into action this year."