

POLICY AND RESOURCES COMMITTEE – 8 MARCH 2022

**BUSINESS GATEWAY TAYSIDE: PERFORMANCE AND GOVERNANCE
UPDATE**

**REPORT BY ALISON SMITH, DIRECTOR VIBRANT COMMUNITIES AND SUSTAINABLE
GROWTH**

ABSTRACT

This report provides an update on the performance of the Business Gateway Tayside service against the backdrop of the COVID-19 pandemic.

It also seeks approval for revised governance arrangements to align a strategic fit with Tay Cities and the focus on regional collaboration.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) Notes the excellent performance of the Business Gateway Tayside service against targets of the service delivered despite the challenging operating environment;
- (ii) Approves the revised governance arrangements set out in this report; and
- (iii) Delegates authority to the Director of Vibrant Communities and Sustainable Growth to enter into a Memorandum of Understanding (MoU) with Dundee City Council and Perth and Kinross Council that will underpin the revised governance arrangements.

2. ALIGNMENT TO THE COUNCIL PLAN AND ANGUS COMMUNITY PLAN

This report contributes to the following outcome contained within the Angus Council Plan:

We want Angus to be a “go-to” area for business

It also contributes to the Angus Community Plan (2017-2030) vision of

Angus is a great place to live, work and visit

3. BACKGROUND

- 3.1 As of the 1 April 2008 Local Authorities became responsible for running the local Business Gateway contracts with responsibility transferring to local government from Scottish Enterprise. They are managed by Lead Local Authorities in lowland Scotland working on behalf of local partnerships. In Tayside, the contract is entered into and managed by Dundee City Council on behalf of the three Tayside Councils (Angus, Dundee City and Perth & Kinross).
- 3.2 Business Gateway provides a range of services, including enquiry-handling/referrals, business information, business start-up advice and services to existing businesses with plans and potential for growth.
- 3.3 Business Gateway Tayside is one of the longest established examples of regional collaboration in the delivery of economic development services and has a strong performance track record that compares well against other delivery arrangements in place across the rest of Scotland.
- 3.4 At the national level, the future delivery of Business Gateway services is under review. This review is expected to conclude by end of the 2021/2022 financial year and will set the context for future delivery of Business Gateway services at the local level.

- 3.5 The current contract for delivery of Business Gateway Services in Tayside is delivered by Elevator and is due to complete on 31 March 2022. In light of the ongoing national review of Business Gateway services, a Modification Notice was published by Dundee City Council on Public Contracts Scotland in December 2021 advising of the intention to extend the current contract by one year from 1 April 2022. Once the findings of the national review are concluded a full procurement exercise will be undertaken with a view to letting a new longer-term contract from April 2023 onward that takes cognisance of any changes to the national specification for Business Gateway services.
- 3.6 The COVID-19 pandemic has created unprecedented challenges for many businesses with public facing companies experiencing the greatest difficulty. Many businesses have relied on state intervention in the shape of COVID-19 support grants loans. The conclusion of a Brexit deal provides businesses with greater certainty but has required new rules and additional bureaucracy for existing and aspiring exporters.
- 3.7 The partner councils have worked with Elevator to adjust services to respond to the needs of businesses during the pandemic with the launch of a COVID-19 Survive and Thrive Programme in 2020/2021 followed by a new Business Boost Programme in 2021/2022. This has dovetailed with the direct financial support that Councils were able to provide in the form of Scottish Government COVID-19 support grants. Over the course of the pandemic almost £46 million has been awarded to Angus businesses alone in schemes administered by Council Officers.
- 3.8 The transfer of Business Gateway to local government occurred 13 years ago and there has been considerable change during this period in terms of the underpinning landscape. In particular, the regional approach to economic development has evolved with the Tay Cities Deal and the publication of a Regional Economic Strategy 2019-2039. Given the evolving landscape and the increased commitment to regional collaboration it is appropriate that steps are made to strengthen the governance arrangements for Business Gateway Tayside.

4. CURRENT POSITION

- 4.1 Business Gateway Tayside provides support from start-up stage through early-stage growth to supporting those businesses with more ambitious expansion plans. They also engage actively with other agencies, as appropriate, to maximise the support available from the wider business support arena.
- 4.2 Despite the challenges faced during the pandemic, including the need to move to online support, the Business Gateway service adapted and met, or surpassed, all targets in financial year 2020/2021 and made good progress towards meeting the annual targets for 2021/2022 over the first nine months of the financial year.
- 4.3 Performance for financial year 2020/2021 is set out in **Table 1** below:
- Start Up targets were exceeded for starts and met for early-stage growth.
 - Growth Advisory Service target was met.
 - Start Up and Existing Business workshops targets were exceeded.
 - COVID-19 Survive and Thrive Programme target was met.
 - There were also six networking events with 170 attendees and six Masterclass events held.
 - Advisers delivered 990 one-to-one Meet the Adviser sessions and clients benefitted from 81 days of Expert Help from specialists.

Table 1: Business Gateway Delivery, April 2020– March 2021: Local Authority Breakdown

	Angus	Dundee	Perth & Kinross	Total	Annual Target
Business Start Ups	218	260	267	745	500
Early-Stage Growth	16	19	15	50	50
Start Up Workshops	22	24	16	62	50
Existing Business Workshops	6	7	10	23	12
Growth Advisory Service Referrals	10	14	18	42	42
COVID-19 Survive & Thrive Programme	43	84	83	210	210

Performance for financial year first nine months of 2021/2022 is set out in **Table 2** below:

- After nine months 94% of the annual target for starts was met and 80% of the annual target for early-stage growth
- After nine months the annual target for start-up workshops has been surpassed and almost met for existing business workshops
- 94% of the annual target for referrals to the Growth Advisory service has been met after nine months

Table 2: Business Gateway Delivery, April 2021 – December 2021: Local Authority Breakdown

	Angus	Dundee	Perth & Kinross	Total	Annual Target
Business Start Ups	174	185	185	544	580
Early-Stage Growth	15	14	11	40	50
Start Up Workshops	20	16	16	52	50
Existing Business Workshops	2	6	2	10	12
Growth Advisory Service Referrals	9	18	20	47	50
Business Boost	26	41	47	114	154

5. FUTURE GOVERNANCE PROPOSALS

5.1 The proposals below take cognisance of the need to update current arrangements to ensure a strategic fit between Business Gateway delivery and the strategic priorities of the Tay Cities Region whilst recognising that the service is contractually delivered on behalf of three of the Tay Cities councils (Angus, Dundee City and Perth & Kinross Councils). Fife have their own Business Gateway service arrangements in place. Note all three councils are seeking the same approval from their relevant committees.

5.2 **Business Gateway Tayside Board:** It is proposed that the current Annual Conveners Meeting is replaced with a Business Gateway Tayside Board and this should meet twice per year instead of once as is currently the position. The main focus for the Board should be to provide strategic oversight and scrutiny of the Service. Each authority should appoint an elected member to attend. This may typically be their Convener for Communities but it should be at the discretion of each council to determine appropriate representation. They should be accompanied and supported by the Head of Economic Development for each of the three councils or a nominated alternative. The Board should be chaired on a rotational basis by the elected members of the respective Councils and be facilitated by the Business Gateway Tayside Contract Manager. Tenure in the chair should be for a period of one year to cover two meetings of the Board. The proposed remit is set out in more detail in **Appendix 1**.

5.3 **Business Gateway Officer Steering Group:** This should retain the features of the current Contract Management Group, meeting every two months. The main focus for the Steering Group should be to provide operational and performance oversight of the Service. Meetings should be chaired by a Manager or Head of Service from the lead authority and each local authority should have at least one representative present with a maximum of two. In addition, the Business Gateway Contract Manager should attend and facilitate the business of the Steering Group. The proposed remit is set out in more detail in **Appendix 1**.

5.4 **Lead Authority:** Dundee City Council is the lead authority for the Business Gateway Tayside service as agreed at the point of transfer of Business Gateway to local government in 2008. The role of the lead authority involves a number of responsibilities that contribute to the sound governance, management and delivery of the service and these require to be more formally reflected in the revised governance arrangements. These functions are outlined in more detail at **Appendix 1**.

5.5 **Alignment to Tay Cities Governance:** Business Gateway Tayside is the most visible and longstanding example of collaboration and joint delivery within regional economic development. It is therefore important that the Tay Cities Joint Committee, which has strategic responsibility for the regional strategy, has oversight of how this service contributes to the business support landscape in the Tay Cities Region. It is therefore proposed that Heads of Economic Development should present reports to the Business Gateway Tayside Board updating them on performance of the contract and the contribution of the service to the regional business support landscape. It is further recommended that these reports and the minutes of the Business Gateway Tayside Board are submitted to the Joint Committee for noting to ensure that they are kept informed of developments in respect to delivery and performance of the Business Gateway services on a regular basis.

5.6 **Memorandum of Understanding:** It is proposed that once councils have approved the revised governance arrangements, the lead authority should engage with its legal team to prepare a revised Memorandum of Understanding to be signed by all three councils.

6. FINANCIAL IMPLICATIONS

The Business Gateway service will continue to be delivered through a local government settlement allocation (currently £1.362 million per annum) which covers the costs of delivery and management fees to the lead authority. The revised governance structure will be delivered within the same funding envelope as now and will enable effective monitoring and oversight of all Business Gateway expenditure.

7. EQUALITY IMPACT ASSESSMENT

An Equality Impact Assessment is not required

8. CONSULTATION

The Director of Finance and Legal and Democratic Services have been consulted in the preparation of this report

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices: Appendix 1 – Remit of Proposed Governance Structure

APPENDIX 1

REMIT OF PROPOSED GOVERNANCE STRUCTURE

Business Gateway Tayside Board

- a Provide strategic oversight and direction, taking cognisance of the priorities set out in the regional economic strategy.
- b Review and scrutinise overall contract performance.
- c Review and scrutinise overall expenditure with a view to ensuring best value.
- d Authorise any major fundamental changes to the service delivery approach and model.
- e Review the national context for service delivery and consider best practice from other parts of Scotland or elsewhere.
- f Review the wider service delivery landscape and provide strategic oversight and challenge to efforts to ensure that this is effective and aligned.

Business Gateway Steering Group

- a Ensure that the Business Gateway service is responsive to needs of business in the region and is aligned to supporting sectoral growth opportunities.
- b Monitor contribution and alignment of the Business Gateway service to the wider business support landscape.
- c Ensure that the Business Gateway service is aligned with the wider Economic Development services within councils.
- d Ensure that Business Gateway Tayside is designed and delivered in alignment with the national strategy and specification for Business Gateway in Scotland whilst ensuring responsiveness to local needs and priorities.
- e Oversee and inform development of the Business Gateway Service specification
- f Review and scrutinise detailed contract performance information and expenditure.
- g Agree annual service target and priorities where contract terms enable / require this.
- h Inform decisions regarding marketing and promotion of the services.
- i Provide general oversight to any future changes in contract management arrangements whilst recognising that it is for the lead authority to manage the recruitment and appointment of contract management personnel.

Lead Authority

- a Receive, hold, distribute and provide agreed stewardship of monies allocated for delivery and management of Business Gateway Services through the Scottish Government Local Government settlement.
- b Lead the design, specification and procurement of Business Gateway Tayside Services in consultation with partner Councils.
- c Contract and performance manage the delivery of Business Gateway Services in Tayside including quality monitoring and ensuring compliance with the Business Gateway programme rules.
- d Approve elements of contract delivery including client progression to higher levels of support and access to expert support and other value-added services.

- e Facilitate the Business Gateway Tayside governance arrangements including arranging meetings, setting agendas, preparing papers and taking minutes.
- f Chair Business Gateway Tayside Steering Group meetings.
- g Produce performance reports and budgetary information for Business Gateway Tayside Board, Steering Group and partner Council Committees.
- h Make payments due to the Contractor in terms of the Contract including review and scrutiny of submitted invoices.
- i Represent Business Gateway on national groups including Business Gateway Operational Network and periodic working groups.
- j Engage with Business Gateway National Unit and ensure that Business Gateway Tayside benefits from access to national services.
- k Represent the region's interests in respect to any reviews of the national specification for Business Gateway.
- l Seek opportunities to bid for and align additional funding to the core budget.
- m Seek to ensure that Business Gateway Tayside is effectively embedded within the regional business support environment and encourage alignment with Council Economic Development Services and wider partner provision.
- n Procure, manage and facilitate additional programmes that align with Business Gateway, e.g. Digital Boost.



Equality Impact/Fairer Scotland Duty Assessment Form

(To be completed with reference to Guidance Notes)

Step 1

Name of Proposal

Business Gateway Tayside – Performance and Governance Update Committee Report

Step 2

Is this only a **screening** Equality Impact Assessment Yes

(A) If Yes, please choose from the following options **all** reasons why a full EIA/FSD is not required:

- | | |
|--|-----|
| (i) It does not impact on people | Yes |
| (ii) It is a percentage increase in fees which has no differential impact on protected characteristics | No |
| (iii) It is for information only | No |
| (iv) It is reflective e.g. of budget spend over a financial year | Yes |
| (v) It is technical | No |

If you have answered yes to any of points above, please go to **Step 16**, and sign off the Assessment.

(B) If you have answered No to the above, please indicate the following:

Is this a full Equality Impact Assessment	Yes/No
Is this a Fairer Scotland Duty Assessment	Yes/No

If you have answered Yes to either or both of the above, continue with Step 3.

If your proposal is a **strategy** please ensure you complete Step 13 which is the Fairer Scotland Duty Assessment.

Step 3

(i)Lead Directorate/Service:

(ii)Are there any **relevant** statutory requirements affecting this proposal? If so, please describe.

(iii)What is the aim of the proposal? Please give full details.

(iv)Is it a new proposal? Yes/No Please indicate OR

Is it a review of e.g. an existing budget saving, report, strategy, policy, service review, procedure or function? Yes/No Please indicate

Step 4: Which people does your proposal involve or have consequences for?

Please indicate all which apply:

Employees Yes/No

Job Applicants Yes/No

Service users Yes/No

Members of the public Yes/No

Step 5: List the evidence/data/research that has been used in this assessment (links to data sources, information etc which you may find useful are in the Guidance). This could include:

Internal data (e.g. customer satisfaction surveys; equality monitoring data; customer complaints).

Internal consultation (e.g. with staff, trade unions and any other services affected).

External data (e.g. Census, equality reports, equality evidence finder, performance reports, research, available statistics)

External consultation (e.g. partner organisations, national organisations, community groups, other councils).

Other (general information as appropriate).

Step 6: Evidence Gaps.

Are there any gaps in the equality information you currently hold? Yes/No

If yes, please state what they are, and what measures you will take to obtain the evidence you need.

Step 7: Are there potential differential impacts on protected characteristic groups? Please complete for each group, including details of the potential impact on those affected. Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each group. Please state the reason(s) why.

Age

Impact

Disability

Impact

Gender reassignment

Impact

Marriage and Civil Partnership

Impact

Pregnancy/Maternity

Impact

Race - (includes Gypsy Travellers)

Impact

Religion or Belief

Impact

Sex

Impact

Sexual orientation

Impact

Step 8: Consultation with any of the groups potentially affected

If you have consulted with any group potentially affected, please give details of how this was done and what the results were.

If you have not consulted with any group potentially affected, how have you ensured that you can make an informed decision about mitigating action of any negative impact (Step 9)?

Step 9: What mitigating steps will be taken to remove or reduce potentially negative impacts?

Step 10: If a potentially negative impact has been identified, please state below the justification.

Step 11: In what way does this proposal contribute to any or all of the public sector equality duty to: eliminate unlawful discrimination; advance equality of

opportunity; and foster good relations between people of different protected characteristics?

Step 12: Is there any action which could be taken to advance equalities in relation to this proposal?

Step 13: FAIRER SCOTLAND DUTY

This step is only applicable to **strategies** which are key, high level decisions. If your proposal is **not** a strategy, please leave this Step blank, and go to Step 14.

Links to data sources, information etc which you may find useful are in the Guidance.

Step 13(A) What evidence do you have about any socio-economic disadvantage/inequalities of outcome in relation to this strategic issue?

Step 13(B) Please state if there are any gaps in socio-economic evidence for this strategy and how you will take measures to gather the evidence you need.

Step 13(C) Are there any potential impacts this strategy may have specifically on the undernoted groupings? Please remember to take into account any particular impact resulting from **Covid-19**.

Please state if there is a potentially positive, negative, neutral or unknown impact for each grouping.

Low and/or No Wealth (e.g. those with enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future.

Impact

Material Deprivation (i.e. those unable to access basic goods and services e.g. repair/replace broken electrical goods, warm home, leisure and hobbies).

Impact

Area Deprivation (i.e. where people live (e.g. rural areas), or where they work (e.g. accessibility of transport)).

Impact

Socio-economic Background i.e. social class including parents' education, people's employment and income.

Impact

Other – please indicate

Step 13(D) Please state below if there are measures which could be taken to reduce socio-economic disadvantage/inequalities of outcome.

Step 14: What arrangements will be put in place to monitor and review the Equality Impact/Fairer Scotland Duty Assessment?

Step 15: Where will this Equality Impact/Fairer Scotland Duty Assessment be published?

Step 16: Sign off and Authorisation. Please state name, post, and date for each:

Prepared by: Merlyn Dunn, Manager – Economic Development

Reviewed by: Jill Paterson, Service Leader – Planning & Sustainable Growth

Approved by: Alison Smith, Director of Vibrant Communities & Sustainable Growth

NB. There are several worked examples of separate EIA and FSD Assessments in the Guidance which may be of use to you.
