

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 21 OCTOBER 2003

BUSINESS GATEWAY

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1** To advise the Committee of the recent launch of the Business Gateway and to re-affirm the role of East Ayrshire Council in providing targeted business development support to local businesses within the new Business Gateway.

2 BACKGROUND

- 2.1** The Business Gateway is an initiative sponsored by the Scottish Executive and was formally launched by the Minister for Enterprise and Lifelong Learning in July 2003.
- 2.2** The detailed proposals for the Business Gateway were developed by an “expert group” appointed by the Scottish Executive and representing both the business community and the public sector business support agencies. The local authorities were represented by COSLA.
- 2.3** The lead responsibility for the development and implementation of the Business Gateway has been assigned to Scottish Enterprise and is taken forward by the Local Enterprise Company - in Ayrshire, that is Scottish Enterprise Ayrshire.
- 2.4** The concept of the Business Gateway is that it will provide a “single brand access point” for all business support services and as such will reduce duplication and customer confusion in the provision of services to businesses.
- 2.5** The concept was introduced on the basis that it was a clear recommendation in 8 out of 12 of the Business Services Review Action Plans submitted to the Scottish Executive by the Local Economic Forums in the Scottish Enterprise network area. In addition, it is deemed to build on the success of the Small Business Gateway which had been established for 2 years and provided support directly to start-up businesses and existing businesses of up to 25 employees.
- 2.6** The extended Business Gateway is based on :
- a common brand used by all partners;
 - a single first contact access number and web-site;
 - a range of universal and targeted services, with minimum customer service levels; and

- the provision of discretionary services at the local level to contribute towards the delivery of the Local Economic Forum's Economic Development Strategy .

2.7 The principles of the Business Gateway approach include amongst others :

- Availability to the entire business market, offering access to all publicly funded services to businesses;
- **Universal** services guaranteed to all customers in terms of access to information, advice and help with business start-up and business growth;
- **Targeted** services that may be offered to businesses in target groups, such a businesses with growth potential, or businesses in targeted social groups or communities;
- **Discretionary** services based on genuine variations in local business conditions and complementing existing Universal and Targeted services;
- All customers will have a guaranteed standard of service in terms of quality of service and response times, which will be underpinned by training for advisers;
- Participating organisations must agree not to offer services that compete with other partners in the Business Gateway;
- Members agree to follow the agreed protocols associated with the Business Gateway brand;
- Members agree to move towards following common procedures for customer relationship management, marketing, monitoring and evaluation, staff training and accreditation; and
- Members agree to jointly develop and participate in the Business Gateway Quality Assurance System.

2.8 Within the categories of Universal, Targeted and Discretionary Services, some of the services provided by the Local Authorities are included, as follows ;

Universal the universal services relate to the provision of business information and referrals. Within this category is included the provision of referral information for Planning, Building Control, Licensing and Environmental Health. Service contact details as agreed with the appropriate Heads of Service have been submitted for inclusion in the Business Gateway Website.

Targeted there are no directly provided local authority services included within this category.

Discretionary the range of business support services provided by the local authorities comes within this category and includes loan and grant funding, provision of business property and property advice.

3 THE ROLE OF EAST AYRSHIRE COUNCIL IN THE PROVISION OF BUSINESS SUPPORT TO LOCAL BUSINESSES

- 3.1** Support to local businesses is offered by East Ayrshire Council in terms of the provision of business advice, loan and grant funding and assistance in accessing funding support from other agencies and sources.
- 3.2** The client companies with which East Ayrshire Council works are predominantly existing businesses which are undertaking expansion projects, by way of increased production capacity and development of new products, leading to sustained and increased employment.
- 3.3** The area of engagement with local businesses outlined above is consistent with the spirit of the Business Gateway and does not overlap the provision made by other agencies.

4 BUSINESS GATEWAY MEMBERS AGREEMENT

- 4.1** The Expert Group recommended that there should be a formal Business Gateway Members Agreement, which in all cases would require to be signed by Scottish Enterprise and by the appropriate local partner.
- 4.2** The proposed agreement has now been issued by Scottish Enterprise Ayrshire to each of the 3 Councils. A copy of the proposed agreement is available as a Background report.
- 4.3** Significant concerns about the proposed agreement have been expressed by local authorities across Scotland on a range of issues which include :
- The status of the document in terms of whether or not it is a binding contract which imposes contractual responsibilities on the signatories (if it were to form a contract it would require clear timescales and enforcement provisions);
 - The agreement suggests that local discretionary services should be determined by Local Economic Forums. Whilst these Forums should have a role in reviewing these services, decisions on the levels of services provided should remain with the partner agencies.
 - The draft agreement contains prescriptive obligations that signatories should adjust their service delivery to meet standards determined.

An example of the last point is a proposed referral system for the local authority 'universal services', which include planning, building control and environmental health, that would require these services to adhere to standards in dealing with business enquiries which go beyond and could conflict with statutory requirements.

- 4.4** If the proposed Agreement were to become a contractual document it would require detailed negotiation of its terms with each signatory. This has not

taken place, and in any event would result in a centralised, inflexible arrangement which would reduce the responsiveness of partner organisations in meeting the business support needs of their areas.

- 4.5 A group of officers working with CoSLA have produced a revised Agreement document which would form a formal commitment to collaboration between partner organisations, but would stop short of imposing contractual obligations. It is proposed that the Council should agree to sign up to a statement of commitment as proposed by the officers working with CoSLA, but that it should not sign up to a binding contractual document.

5 LEGAL IMPLICATIONS

- 5.1 The legal implications of the proposed Agreement document are considered above at Section 4.

6 FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications arising directly from this report.

6 RECOMMENDATION

- 6.1 It is recommended that the Committee:
- (a) note the progress made in introducing a Business Gateway in Ayrshire;
 - (b) agree in principle that the Council should subscribe to a formal statement of commitment to delivery of business support services through the Business Gateway in collaboration with the other partner agencies in Ayrshire; and
 - (c) agree that the Council should not enter into a formal contractual agreement to deliver services within the Business Gateway; and
 - (d) authorise the Director of Development Services to agree the details of a statement of commitment drawn up in terms of (b) above.

Stephen Chorley
Director of Development Services
6 October 2003

BACKGROUND PAPERS

- 1 Proposed Partnership Agreements.

For further information please contact John Spooner, Business Development Manager on Extension 6143.

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