
Report To:	Environment and Regeneration Committee	Date:	1st September 2016
Report By:	Corporate Director Environment, Regeneration and Resources	Report No:	E+R/16/08/01/SJ
Contact Officer:	Stuart Jamieson	Contact No:	Ext. 2402
Subject:	Business Gateway		

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Members' approval to change the delivery model for Business Gateway.

2.0 SUMMARY

- 2.1 The Business Gateway service provides information and support to individuals setting up a new business or growing an existing business. In April 2008 responsibility for the delivery of Business Gateway transferred from Scottish Enterprise to the Local Authorities.
- 2.2 Since 2008 the delivery model has operated across the Renfrewshire, East Renfrewshire and Inverclyde Local Authority areas with a tri-partite model for which Renfrewshire Council has provided the Lead Authority role. Service delivery has been through tendered contracts and the current contract was awarded on 1 October 2012 to Lanarkshire Enterprise Services Limited. The current allocation for the pan Renfrewshire model is £604,000.
- 2.3 As service delivery has evolved, a patchwork of different structures has developed across the country, with some authorities contracting delivery to third party providers and others delivering in house. Some also operate a more hybrid approach with third parties delivering some but not all aspects of the service. In September 2015 Renfrewshire Council commissioned, on behalf of the partners, a research study to identify the most appropriate and effective approach for delivering Business Gateway (BG) services across the region. The consultant report is attached in Appendix 1.
- 2.4 The preferred option is to bring the contract in-house with each of the three local authorities operating their own local service where there is potential to deliver better value for money and for far greater focus on the individual local authority needs. This also allows the opportunity to participate unhindered in any potential future City Deal activity.
- 2.5 It is proposed to disaggregate the existing model, and whilst Renfrewshire Council will continue to provide the Lead Authority role each local authority will be responsible for the delivery of Business Gateway Services in their own area through service level agreements.
- 2.6 An update report will be presented to the Committee detailing activity every second cycle.

3.0 RECOMMENDATION

- 3.1 It is recommended that the Committee:
- Agree that the Business Gateway Service will be delivered separately and in-house by the three local authorities from 1 October 2016.

- b. Authorise the Corporate Director Environment, Regeneration & Resources to finalise negotiations with the other two local authorities regarding the final split in budgets, any TUPE issues and to develop an appropriate service level agreement between the three authorities for the future delivery of the service.
- c. Agree the creation of appropriate posts, following job evaluation, within the agreed budget for service delivery.
- d. Consider reports every second cycle on Business Gateway performance.

Aubrey Fawcett

Corporate Director – Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 In April 2008 responsibility for the delivery of Business Gateway transferred from Scottish Enterprise to the Local Authorities.
- 4.2 The Business Gateway service provides information and support to individuals setting up a new business or growing an existing business.
- 4.3 A tri-partite arrangement was formed between Renfrewshire Council, East Renfrewshire Council and Inverclyde Council to deliver the service requirements. Renfrewshire Council has delivered the Lead Authority role. The Lead Local Authority acts as the lead contracting partner, receives the funding from the Scottish Government and distributes this to the contractor on behalf of the partner authorities via the contract. The lead authority is also responsible for reporting performance measures into the Business Gateway National Unit hosted at COSLA. A steering group comprising senior officers from each local authority is in place to oversee the delivery of the contract.
- 4.4 In 2008 contract delivery was carried out by Business Development Advisors and subsequently in October 2012 Lanarkshire Enterprise Services Limited won the contract for a three year period with the option for two, one year extensions.
- 4.5 Whilst the number of business starts in Inverclyde has remained relatively static at around 150 a year, it was felt appropriate to review the delivery model and in September 2015 Renfrewshire Council commissioned, on behalf of the partners, a research study to identify the most appropriate and effective approach for delivering Business Gateway (BG) services across the region.
- 4.6 The overarching purpose of the research and options appraisal was to support the three Councils in establishing the most appropriate model for the future delivery of the local BG services across the greater Renfrewshire and Inverclyde local authority areas in terms of the:
- potential to achieve better value for money and other benefits; and
 - the opportunity to improve the future service delivery and outcomes.
- 4.7 In terms of service delivery, there is a patchwork of different structures across the country, with some authorities contracting delivery to third party providers and others delivering in-house. Some also operate a more hybrid approach with third parties delivering some but not all aspects of the service. A table of current models is attached as Appendix 2.
- 4.8 The options which offered the greatest potential for increased value for money and flexibility were preferred by the steering group. For that reason the preferred option is to bring the contract in-house with each of the three local authorities operating their own local service and where there is potential to deliver better value for money in a number of ways:
- the internal delivery options would not include a contractor's management fee or contribution to overheads;
 - there may be less need for internal contract management and reporting time requirements;
 - an internal approach is not tied to a formal contract and associated fee and offers more flexibility to individual LAs.
- 4.9 The three local authority areas are keen for much stronger local delivery, more need to reflect local priorities (which are different across the three LAs) and the ability to integrate all business development services. It is recognised though that this could involve some form of shared contracts in the future where this is seen to be viable through for example, City Deal.
- 4.10 Renfrewshire Council have advised the current contractor that their contract will terminate in October 2016. Negotiations over TUPE have taken place and three staff are affected, a business advisor and two business information officers. Under TUPE the business advisor and one of the business information officers would transfer to Renfrewshire Council, with the remaining business information officer transferring equally to East Renfrewshire Council and Inverclyde Council.
- 4.11 The suggested disaggregation of the budget, based on business population, is 55% to Renfrewshire 23% to East Renfrewshire and 22% to Inverclyde. This equates to an annual sum available to Inverclyde of £132,880.

5.0 PROPOSALS

- 5.1 It is proposed therefore that the Business Gateway delivery is managed and delivered locally by each of the three local authorities, for their own area, from 1 October 2016. The Business Gateway budget would be split according to previous year's activity (Renfrewshire Council 55%, East Renfrewshire 23% and Inverclyde 22%) and each area would be responsible for delivering the same level of local services.
- 5.2 A Service Level Agreement should be developed over the coming months to identify the financial support and targets for each area, to allow the financial drawdown from Renfrewshire Council to the other areas and to outline the TUPE issues to be adopted by each Council.
- 5.3 That appropriate staffing resources be recruited to deliver the direct Business Gateway service along with enhancing the products available to Inverclyde businesses.

6.0 IMPLICATIONS

Finance

6.1 Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
Renfrewshire		Oct 16	(132)		Income from SLA
			132		

Legal

- 6.2 There are no legal implications arising from this report.

Human Resources

- 6.3 There are no Council HR implications arising from this report however 0.5FTE from the current contractor may transfer to the Council.

Equalities

- 6.4 There are TUPE implications arising from this report.

Repopulation

- 6.5 These projects contribute to the ongoing regeneration of Inverclyde.

7.0 CONSULTATIONS

- 7.1 None.

8.0 LIST OF BACKGROUND PAPERS

- 8.1 None.



Future Business Gateway Service Delivery Model Options

Report for Renfrewshire Council; East
Renfrewshire Council; and Inverclyde Council

May 2016

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1. Foreword

1.1 Introduction

Renfrewshire Council, acting as lead local authority on behalf of themselves, East Renfrewshire Council and Inverclyde Council has commissioned this research study to identify the most appropriate and effective approach for delivering core and local Business Gateway services across the region.

This report presents the research findings and offers some conclusions and recommendations for implementation.

1.2 Background

Introduced in 2003 as an evolution of the Small Business Gateway, Business Gateway (BG) is a key delivery channel for local economic development and a first point of contact for business support across Scotland. Initially managed by Scottish Enterprise (SE), responsibility for the BG was transferred to local authorities (LAs) in 2008 as part of the review of the Enterprise Networks.

Over that time, the services provided by the BG have evolved in response to the prevailing economic conditions, in particular the recession, and to the needs of local economies. The current service portfolio includes:

- support for start-ups, both volume start-ups trading below £70,000 turnover and higher value starts; and
- Growth Advisory Services for start-up and existing businesses which directs support according to a segmentation model and links into the account management portfolios of SE and HIE.

These nationally consistent services have been supplemented in recent years by the introduction of Local Services and the BG Plus, which support a range of services tailored to local economic circumstances and which have evolved in response to a previous evaluation of the service and to the challenges presented by the recession. There has also been a consistent move to integrate BG services more with mainstream Council services in economic development and planning and building control to provide a more coherent offer to businesses.

The service is structured across Scotland into 19 BG areas (in line with the original contracts), eight of which comprise groups of neighbouring authorities with one acting as the lead authority distributing funding to the others. Some Councils deliver the services in-house while others contract out delivery to third parties.

The current BG contract covering Greater Renfrewshire and Inverclyde is managed by Renfrewshire Council and is for a period of three years (commencing in October 2012) with the option of two x one year extensions.

The contract is currently delivered by Lanarkshire Enterprise Services (LES) who provide both the core and local service delivery elements. LES also delivered BG contracts in Lanarkshire and Ayrshire.

As the initial three year contract period is coming to an end, the partner councils wish to explore the different options for delivering BG services including through an in-house model.

1.3 Research Study Objectives

The overarching purpose of the research was to support the Councils in establishing the most appropriate model for the future delivery of the local BG services across the greater Renfrewshire and Inverclyde areas in terms of **(1) the potential to achieve financial savings and other benefits; and (2) the opportunity to improve the future service delivery and outcomes.**

The brief also identified a range of tasks relating to the option appraisal, including:

- consider the various options for delivering and achieving the objectives of the local BG services;
- assess the costs and benefits of the different options – both quantifiable and non-quantifiable;
- identify all the pros and cons of the options - quantifying and valuing them wherever possible;
- consider any risks and sensitivities; and
- consider the most appropriate and best value use of resources, not just focussing on the lowest initial costs but also the actual returns, and make a recommendation for future delivery.

At this stage we would highlight that early discussions with the individual Councils clearly suggested that there was a desire for future services to better reflect the specific priorities and opportunities within each of the individual local authorities.

The objectives of the research therefor evolved to take account of the specific priorities for each of the individual authorities.

1.4 Reporting Format

The report is structured as follows:

- Chapter 2: The Local Economy;
- Chapter 3: Business Support and Business Gateway Performance;
- Chapter 4: Local Strategy, Priorities and Specifications;
- Chapter 5: Options Appraisal; and
- Chapter 6: Conclusions and Recommendations.

The appendices include:

- local business support products;
- SME survey responses; and
- financial metrics analysis.

2. The Local Economy

2.1 Introduction

Business Gateway's prime purpose is to support individuals starting or growing a business. As such, the prime measure of success is the number of new business starts and employment growth in supported businesses.

Therefore at a local level, it will be important that BG is able to reflect the business make-up and structure of the local economy. This Chapter presents a brief overview and highlights some of the key trends across the three LAs.

2.2 Employment

Table 2.1, over presents details of employment change over a five-year period. The data show that:

- employment declined across each of the three Authorities – a total loss of around 8,200 jobs of which over 80% were located in Renfrewshire;
- compared to Scotland (-2%), the decline was higher in East Renfrewshire (-4%) and much higher in Renfrewshire (-8%). Inverclyde experienced a similar decline to Scotland (-2%);
- however, the absolute changes hide some interesting dynamics:
 - a decline of 1,133 in manufacturing employment in Inverclyde was balanced by an increase of 1,290 business service jobs
 - on the other hand, the main decline in jobs in Renfrewshire is accounted for in business services (and the public sector);
 - meanwhile the largest increase in East Renfrewshire was in public sector administration employment but this was balanced by a similar decrease in health and social work;
 - some interesting comparative increases in construction, public services, ICT and arts and personal services. Corresponding decreases in manufacturing, business services and real estate services compared to Scotland.

Table 2.1: Employment Change 2009-2013

Industry	2009				2013				Change				% Change			
	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland
Manufacturing	942	2,811	8,172	191,278	636	1,678	7,589	176,341	-306	-1,133	-583	-14,937	-32%	-40%	-7%	-8%
Construction	1,440	622	4,966	146,539	1,578	726	4,711	137,495	138	104	-255	-9,044	10%	17%	-5%	-6%
Wholesale/retail	3,421	4,931	10,795	373,018	3,397	4,393	10,373	359,471	-24	-538	-422	-13,547	-1%	-11%	-4%	-4%
Transport/storage	599	1,264	7,172	106,182	789	1,207	5,837	98,296	190	-57	-1,335	-7,886	32%	-5%	-19%	-7%
Hospitality	1,571	1,760	5,050	182,671	1,633	1,675	4,795	191,689	62	-85	-255	9,018	4%	-5%	-5%	5%
ICT	311	1,350	1,636	65,770	297	1,486	1,723	62,467	-14	136	87	-3,303	-5%	10%	5%	-5%
Financial Service	354	1,607	851	94,227	269	1,096	920	85,662	-85	-511	69	-8,565	-24%	-32%	8%	-9%
Real estate	305	881	608	31,622	359	529	734	34,210	54	-352	126	2,588	18%	-40%	21%	8%
Prof, scientific, tech	1,071	1,023	3,361	163,398	1,038	1,238	3,687	170,324	-33	215	326	6,926	-3%	21%	10%	4%
Business Services	1,447	1,418	10,085	182,308	1,142	2,708	6,206	182,415	-305	1,290	-3,879	107	-21%	91%	-38%	0%
Public Services	867	1,463	4,243	152,753	1,744	1,240	4,869	143,327	877	-223	626	-9,426	101%	-15%	15%	-6%
Education	2,735	2,469	5,376	195,564	2,465	2,833	4,943	187,410	-270	364	-433	-8,154	-10%	15%	-8%	-4%
Health/social work	3,410	6,395	11,992	387,649	2,548	6,293	10,974	383,366	-862	-102	-1,018	-4,283	-25%	-2%	-8%	-1%
Arts and Leisure	1,073	680	1,857	62,896	752	886	1,868	70,366	-321	206	11	7,470	-30%	30%	1%	12%
Personal Services	562	461	1,765	44,157	653	646	1,815	46,725	91	185	50	2,568	16%	40%	3%	6%
Totals	20,108	29,135	77,929	2,380,032	19,300	28,634	71,044	2,329,564	-808	-501	-6,885	-50,468	-4%	-2%	-9%	-2%

Sources: ONS/BRES

2.3 Business Base

Tables 2.2 to 2.4 provide details of the local business units across all three Authorities. The data show that:

- there were an additional 380 business units across the three Authorities. This is an increase of +4% compared to a +6% increase for all of Scotland;
- almost all of this was within the micro business sector (under 10 employees) – other business sizes declined very slightly;
- the biggest increase in business units was in East Renfrewshire (175) closely followed by Renfrewshire (150);
- crucially almost 90% of the increase was in the professional, scientific and technical categories where it compares significantly better than Scotland as a whole;
- the largest losses were in the retail sector and comparisons in ICT are poor compared to Scotland;
- other interesting points – Renfrewshire showed good increase in small manufacturing companies; East Renfrew showed increase in ICT and Inverclyde in Real Estate businesses;
- the data clearly show that the vast majority of growth is within the micro service sector – a clear pointer for the future.

Table 2.2: Business Base 2009-2013 [All Units]

Industry	2009				2013				Change				% Change			
	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland
Manufacturing	90	80	275	9,020	90	80	305	9,115	0	0	30	95	0%	0%	11%	1%
Construction	270	145	580	19,110	270	135	575	18,535	0	-10	-5	-575	0%	-7%	-1%	-3%
Wholesale/retail	480	455	980	36,380	460	420	985	35,725	-20	-35	5	-655	-4%	-8%	1%	-2%
Transport/storage	50	55	270	6,370	65	70	250	6,535	15	15	-20	165	30%	27%	-7%	3%
Hospitality	135	170	410	15,430	125	175	390	15,375	-10	5	-20	-55	-7%	3%	-5%	0%
ICT	145	75	195	7,435	170	75	200	9,230	25	0	5	1,795	17%	0%	3%	24%
Financial Service	55	40	125	4,430	55	40	110	4,370	0	0	-15	-60	0%	0%	-12%	-1%
Real estate	110	55	155	5,595	140	70	160	6,000	30	15	5	405	27%	27%	3%	7%
Prof. scientific, tech	405	260	595	23,505	525	325	745	31,335	120	65	150	7,830	30%	25%	25%	33%
Business Services	130	95	410	12,340	160	95	405	12,745	30	0	-5	405	23%	0%	-1%	3%
Public Services	50	30	105	3,210	25	20	190	2,915	-25	-10	85	-295	-50%	-33%	81%	-9%
Education	70	75	165	5,535	70	60	155	5,505	0	-15	-10	-30	0%	-20%	-6%	-1%
Health/social work	170	180	355	11,700	190	190	330	12,430	20	10	-25	730	12%	6%	-7%	6%
Arts and Leisure	100	75	175	6,110	95	85	175	6,355	-5	10	0	245	-5%	13%	0%	4%
Personal Services	160	100	305	8,445	155	100	280	8,195	-5	0	-25	-250	-3%	0%	-8%	-3%
Totals	2,420	1,890	5,100	174,615	2,595	1,940	5,255	184,365	175	50	155	9,750	7%	3%	3%	6%

Sources: ONS/ABI

Table 2.3: Business Base Change 2009-2013 [Micro only]

Industry	2009				2013				Change				% Change			
	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland
Manufacturing	70	60	180	6,335	80	60	210	6,525	10	0	30	190	14%	0%	17%	3%
Construction	245	130	490	16,570	250	130	480	16,215	5	0	-10	-355	2%	0%	-2%	-2%
Wholesale/retail	425	370	780	29,095	400	335	785	28,050	-25	-35	5	-1,045	-6%	-9%	1%	-4%
Transport/storage	35	40	185	4,775	45	55	170	4,855	10	15	-15	80	29%	38%	-8%	2%
Hospitality	100	125	300	11,155	80	130	265	10,235	-20	5	-35	-920	-20%	4%	-12%	-8%
ICT	145	65	175	6,730	170	70	180	8,485	25	5	5	1,755	17%	8%	3%	26%
Financial Service	50	35	95	3,385	45	35	90	3,540	-5	0	-5	155	-10%	0%	-5%	5%
Real estate	105	45	140	4,900	135	65	145	5,300	30	20	5	400	29%	44%	4%	8%
Prof, scientific, tech	395	240	555	21,095	515	300	695	28,820	120	60	140	7,725	30%	25%	25%	37%
Business Services	115	75	310	10,235	145	75	315	10,535	30	0	5	300	26%	0%	2%	3%
Public Services	20	10	60	1,450	0	5	140	1,330	-20	-5	80	-120	-100%	-50%	133%	-8%
Education	25	25	75	2,405	30	20	65	2,525	5	-5	-10	120	20%	-20%	-13%	5%
Health/social work	100	85	185	6,420	130	85	165	6,810	30	0	-20	390	30%	0%	-11%	6%
Arts and Leisure	75	60	135	4,840	75	65	135	4,990	0	5	0	150	0%	8%	0%	3%
Personal Services	150	90	280	7,590	145	85	250	7,315	-5	-5	-30	-275	-3%	-6%	-11%	-4%
Totals	2,055	1,455	3,945	136,980	2,245	1,515	4,090	145,530	190	60	145	8,550	9%	4%	4%	6%

Sources: ONS/BRES

Table 2.4: Business Base 2009-2013 [Small Only]

Industry	2009				2013				Change				% Change			
	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland	ER	Inv	Renf	Scotland
Manufacturing	15	10	50	1,900	10	10	65	1,830	-5	0	15	-70	-33%	0%	30%	-4%
Construction	25	15	70	2,095	20	5	80	1,930	-5	-10	10	-165	-20%	-67%	14%	-8%
Wholesale/retail	50	70	165	6,310	50	70	165	6,680	0	0	0	370	0%	0%	0%	6%
Transport/storage	10	10	60	1,220	15	10	60	1,280	5	0	0	60	50%	0%	0%	5%
Hospitality	30	45	105	3,860	40	45	105	4,675	10	0	0	815	33%	0%	0%	21%
ICT	0	0	15	550	0	0	10	585	0	0	-5	35	0%	0%	-33%	6%
Financial Service	10	5	25	820	5	0	20	660	-5	-5	-5	-160	-50%	-100%	-20%	-20%
Real estate	0	5	15	625	5	5	20	630	5	0	5	5	0%	0%	33%	1%
Prof, scientific, tech	10	15	40	2,000	10	15	40	2,120	0	0	0	120	0%	0%	0%	6%
Business Services	10	15	75	1,545	15	10	65	1,685	5	-5	-10	140	50%	-33%	-13%	9%
Public Services	25	15	30	1,210	15	10	30	1,025	-10	-5	0	-185	-40%	-33%	0%	-15%
Education	30	35	70	2,350	20	25	70	2,265	-10	-10	0	-85	-33%	-29%	0%	-4%
Health/social work	50	70	125	4,095	45	80	120	4,380	-5	10	-5	285	-10%	14%	-4%	7%
Arts and Leisure	20	20	35	1,070	15	15	35	1,145	-5	-5	0	75	-25%	-25%	0%	7%
Personal Services	10	10	20	790	10	15	25	820	0	5	5	30	0%	50%	25%	4%
Totals	295	340	900	30,440	275	315	910	31,710	-20	-25	10	1,270	-7%	-7%	1%	4%

Sources: ONS/BRES

Table 2.5 shows data from the Scottish Clearing Banks new business accounts.

Table 5: New Business Bank Accounts

	2012	2013	2014	Average	Region %
East Renfrew	182	137	119	146	25%
Inverclyde	168	138	157	154	26%
Renfrew	349	230	277	285	49%

Source: Scottish Clearing Banks Business Statistics

2.4 Self-Employment

The data above only accounts for business that are either registered for VAT or PAYE which does not pick up many of those supported through BG who are self-employed.

Table 2.5 below presents data on self-employment levels across the three Authorities.

Table 2.6: % in employment who are self-employed [aged 16+]

Year	ER		Inv		RF		Scotland	
	No	%	No	%	No	%	No	%
2010-2011	4,900	11.7	2,900	7.9	7,700	10.0	273,300	11.0
2011-2012	6,100	14.5	3,700	10.4	8,200	10.3	293,600	11.9
2012-2013	5,600	13.2	3,900	11.4	8,000	9.8	293,500	11.8
2013-2014	4,900	11.3	2,900	8.1	8,500	10.2	288,500	11.5
2014-2015	6,700	15.2	3,200	8.9	8,200	9.6	310,600	12.1
Change	1,800		300		500		37,300	
Total % Change		37%		10%		6%		14%

Source: ONS/APS

The data show that there has been an overall increase of 2,600 self-employed across the three Authorities. Crucially, this is almost 10 times increase in “businesses” as defined in 2.3 above.

The largest increase has been in East Renfrewshire – six times the scale of increase in Inverclyde.

A key pointer is the level of fluctuation in the data which varies from year to year, albeit around a reasonably consistent figure.

The other key pointer is that the above are the net figures i.e. the actual change from year to year. This does not show the gross change (i.e. numbers starting/ numbers closing).

The actual level of new self-employment is therefore likely to be significantly greater than the net figures, shown above.

2.5 Wages and Salaries

Table 2.7 and 2.8 show the wage levels at both workplace and residence levels.

Table 2.7: Resident weekly Wages [£]

Area	2010	2014	Change	% Change
East Renfrewshire	622.0	652.5	30.5	5%
Inverclyde	465.0	509.4	44.4	10%
Renfrewshire	496.2	540.4	44.2	9%
Scotland	486.6	518.2	31.6	6%

Table 2.8: Workplace weekly Wages [£]

Area	2010	2014	Change	% Change
East Renfrewshire	432.6	441.2	8.6	2%
Inverclyde	481.4	506.4	25.0	5%
Renfrewshire	517.4	540.0	22.6	4%
Scotland	488.0	519.4	31.4	6%

Source: ONS/ASHE

The data show that:

- workplace wages are increasing at a slower rate than Scotland [particularly in East Renfrewshire] BUT resident wage levels have outpaced Scotland;
- workplace wages in Renfrewshire are significantly above Scottish average reflecting the types of local industry;
- there is a significant difference in resident and workforce wages in East Renfrewshire – higher earning residents but lower value local jobs;
- the similar levels across the other two areas suggest a more self-contained local economy.

2.6 Key Sectors

Table 2.9 present data on the performance of the Scottish Government's key growth sectors across the three Authorities.

Table 2.9: Key Sector Businesses

	2010	2011	2012	2013	2014	Change	% Change
East Renfrewshire							
Food and Drink	70	70	70	70	75	5	7%
Fin and Bus Services	400	395	425	435	490	90	23%
Life Sciences	5	5	5	5	0	-5	-100%
Energy	15	15	20	20	25	10	67%
Tourism	130	135	145	135	130	0	0%
Creative Industries	215	215	225	235	265	50	23%
All	840	830	890	895	990	150	18%
Inverclyde							
Food and Drink	40	40	35	35	35	-5	-13%
Fin and Bus Services	235	240	255	265	270	35	15%
Life Sciences	5	5	5	5	5	0	0%
Energy	20	20	25	30	30	10	50%
Tourism	170	160	160	160	160	-10	-6%
Creative Industries	120	115	120	125	140	20	17%
All	585	575	605	625	645	60	10%
Renfrewshire							
Food and Drink	130	130	140	130	130	0	0%
Fin and Bus Services	560	580	585	635	675	115	21%
Life Sciences	10	10	10	15	15	5	50%
Energy	40	45	55	70	65	25	63%
Tourism	375	350	360	345	355	-20	-5%
Creative Industries	310	315	325	330	340	30	10%
All	1425	1425	1470	1520	1585	160	11%

Source: Scottish Gov Key Business Statistics 2015

The data show that there has been a mixed fortune – some increases some decreases but also some common trends:

- East Renfrewshire
 - increase in financial services and creative industries
 - decrease in life science

- Inverclyde:
 - increase in financial services and creative industries
 - decrease in tourism
- Renfrewshire:
 - increase in financial services and creative industries
 - decrease in tourism

Where data is available in respect of sector outputs – both in terms of turnover and GVA per employee there are increases in the following sectors:

- East Renfrewshire
 - tourism and creative industries
- Inverclyde:
 - energy and tourism
- Renfrewshire:
 - financial services and tourism

2.7 Some Conclusions

The brief overview has highlighted a number of factors which provide some pointers for consideration around the future of BG services:

- all three LAs are quite different in their detailed business make-up but similar in terms of broad trends;
- there has been a decline in employment at the same time there has been an increase in number of businesses – the business base is fragmenting with more smaller companies;
- there seems to be a lack of growth in larger scale companies – it is almost all in micro/ self-employed;
- it is within the service sector where main growth is occurring, although there are some other “pockets” of growth in professional, scientific and technical sectors;
- key sector activity is primarily in financial and business services; tourism/ hospitality and creative industries.

3. Renfrewshire Business Gateway

3.1 Introduction

This Chapter provides a brief overview of the performance and activities of the Greater Renfrew and Inverclyde Business Gateway.

Note: This does not set out to review BG but simply to provide a descriptor of its activity and while BG is one of the main service delivery channel for business support, it is not the only one and all LAs deliver their own additional support services direct or through other contracts.

3.2 BG Services

The services provided by each BG are largely prescribed by the service specification, and combine nationally consistent services supplemented with those designed to meet local priorities as set out in LA economic strategies. Access to the services is based on a segmentation model intended to categorise client businesses according to their growth potential.

The services were extended in 2012 to reflect the outcome of a previous evaluation of the service. A new service specification was developed, which included the provision of a Growth Advisory Service and Local Services; lowering the eligibility threshold; and broadening the scope for businesses to access support.

The current service portfolio includes nationally consistent services:

- **Start Up Advisory Services:**
 - volume starts – new businesses with little prospect of trading above £70,000 (turnover)
 - high value starts – new businesses which aspire to have the potential to trade above £70,000 or employ staff within 12 months – 18 months (with support from BG); and

- **Growth Advisory Service:**
 - start-up – new businesses which aspire to have the potential to trade above £200,000 (but less than £400,000) and employ staff within the first three years (with support from BG)
 - existing businesses – existing businesses which have the potential to increase turnover by at least £200,000 (but less than £400,000) within three years (with support from BG)
 - start up into growth pipeline – new businesses which aspire to have the potential to trade between £400,000 and £1m within three years (with support from BG)
 - existing into growth pipeline – existing businesses which aspire to have the potential to increase turnover by between £400,000 and £1m within three years (with support from BG)
 - start up into account management – new businesses which progress through the growth pipeline over a maximum of 18 months and starting to demonstrate a growth in turnover of between £400,000 and £1m over three years
 - existing into account management – existing businesses which progress through the growth pipeline over a maximum of 18 months and starting to demonstrate a growth in turnover of between £400,000 and £1m over three years.

The revised service specification also made provision of Local Services, which although varying in specific form across different BG areas typically include:

- local expert help – additional advisory services provided to businesses demonstrating growth potential or conversely those who are in a critical sustainability of recovery situation; and
- local advisory support.

Some of the BG areas are have BG Plus services which are supported through European funding and again provide additional local services such as:

- growth grants; and
- specialist advisors.

It is also worth noting that BG has, in some places, started to build closer operational connections to employability services and in some places was involved through the delivery of the New Enterprise Allowance (NEA), although these contracts have since been lost.

3.3 BG Delivery Models

While each local authority in Scotland has its own BG services, the service is structured into **19 BG areas**, eight of which comprise small groups of neighbouring authorities. In each of these eight areas, there is a Lead local Authority which acts as the lead contracting partner, receives the funding from the Scottish Government and distributes this across its partner authorities. The lead authority is also responsible for reporting performance measures into the BG National Unit hosted at COSLA.

In terms of service delivery, there is a patchwork of different structures across the country, with some authorities contracting delivery to third party providers and most delivering in-house. Some also operate a more hybrid approach with third parties delivering some but not all aspects of the service.

Crucially, there is (to date) no clear consensus on which approach works best (is the most effective and efficient), and it is more likely that different approaches will suit different authorities depending on contractor and stakeholder relationships, track records, key priorities and the resources within authorities, see Table 3.1 over.

It can be seen that here is a mix of different approaches but the trend in recent years has been for LAs to bring delivery in-house, albeit there are some who strongly contest that external delivery is still the optimum approach.

Table 3.1: Business Gateway Delivery Models

Lead Authority	Local Authorities	Delivery
Aberdeenshire	Aberdeen City	External contract
	Aberdeenshire	
Dundee	Angus	External contract
	Dundee City	
	Perth and Kinross	
Fife	Fife	ALEO
North Ayrshire	South Ayrshire	In house
	East Ayrshire	
	North Ayrshire	
North Lanarkshire	South Lanarkshire	External contract
	North Lanarkshire	
Glasgow	Glasgow	Internal
Renfrewshire	Inverclyde	External contract
	East Renfrewshire	
	Renfrewshire	
Falkirk	Clackmannan	One authority internal two external
	Stirling	
	Falkirk	
West Dunbartonshire	East Dunbartonshire	In house
	West Dunbartonshire	
West Lothian	Edinburgh	Largely internal but some service delivered under contract
	East Lothian	
	Mid Lothian	
	West Lothian	
Highland	Highland	External contract
	Moray	
Scottish Borders	Scottish Borders	Internal
Dumfries & Galloway	Dumfries and Galloway	Internal
Argyll and Bute	Argyll and Bute	Internal
Orkney	Orkney	TBC
Shetland	Shetland	TBC
Outer Hebrides	Western Isles	TBC

3.4 Greater Renfrewshire and Inverclyde

The Greater Renfrewshire and Inverclyde BG contract is delivered by Lanarkshire Enterprise Services (LES) and managed by Renfrewshire Council on behalf of all three Authorities.

An evaluation of the performance of BG is outside the scope of this study but we have highlighted some key pointers which will help set the future context.

Table 3.1 highlights the performance to date of the current contract.

Table 3.1: BG Performance¹

	Category	BG Service	Targets 3 year	Achieved to date	Pro Rata %
Note 1	Start Up	Total Starts	2,100	1,896	90%
Note 2 (a)		Potential High Value Starts	330	226	68%
Note 2 (b)		High Value Start achieved	135	25	19%
Note 3	Growth	Growth Advisory (all)	240	329	137%
Note 4		Growth Pipeline (all)	96	122	127%
Note 5		Account Managed (all)	45	20	44%
Note 6	Local Services	Expert Help - Days	1,050	146	14%
		Expert Help - Clients	630	127	20%
		Local Advisory - Days	0	809	
		Local Advisory - Clients	0	1,718	
		Local Services Tot - Days	1,050	955	91%
		Local Services Tot - Clients	630	1,845	293%

Source: Renfrewshire Council

The total value of the three year contract is £604,000, although there is no formal split between the three Authorities.

¹ See notes below

Note 1: Clients segmented as volume start receive the basic start up service, however the start-up target includes start-ups from all segments. High Value and Growth Advisory segmented starts.

Note 2 (a&b): Clients segmented as Potential High Value Starts are predominantly pre-starts. When/if they commence trading and achieve the High Value Start Up criteria (which can be evidenced), then they are also claimed as a High Value Start Up. They may be claimed as a start up with or without being claimed as a High Value Start Up. There is an expectation that not all pre-starts segmented into the PHVSU portfolio will achieve the High Value Start Up criteria. The original contract targets for PHVSU and HVSU achieved are the same however it is unrealistic to expect that all PHVSU will convert to HVSU, therefore the target shown in the table is a revised target agreed upon by the local BG Steering Group (local authorities.)

Note 3: Clients segmented into the Growth Advisory portfolio can be pre-starts/new starts or existing businesses.

Note 4: Clients segmented into the Growth Pipeline portfolio can be pre-starts/new starts or existing businesses. Growth Pipeline is a sub-set of GAS therefore all Growth Pipeline segmented clients will have been segmented and claimed as a GAS client too. Please note, there is no specific Growth Pipeline target, however it is expected that at least 40% of clients accepted into GAS will also be segmented as GPL.

Note 5: Clients segmented into Account Management tend to only be trading businesses. There is an expectation by Scottish Enterprise (SE) that pre-start clients segmented into Growth Pipeline will have achieved a proven trading status before being segmented and accepted into Account Management.

Note 6: Local Services. The original contract only allowed for Expert Help (i.e. Specialist advisory support) to both start-ups and existing businesses. It is widely accepted that non-growth pre-start/new start clients require face to face advisory support both pre & post starting up. This necessitated a virement of some of the funds for Expert Help to provide for general advisory support from the Local Services element of the contract to non-growth clients.

The performance to date has highlighted a number of pointers:

- in terms of scale – BG has supported over 4,000 individuals/ SMEs under the current contract – with the majority of support being targeted at start-ups;
- it has substantially met start-up targets, although at lower levels for high value starts;
- over-performed in terms of growth support, although off the pace in the numbers being accepted into Account Management (albeit this is not directly within the control of BG);

The perception of the LAs is that it is the growth ambitions that appear to have fallen behind – specifically where this is seen as a key priority.

We would also note that the data will also provide some helpful metrics that can be used to inform the development of a future service.

3.5 Local Business Support

In addition, to the services delivered through the BG contract, individual LAs and a wide range of partners also deliver a range of other business support services, many of which are supported by Structural Funds (ERDF/ESF).

Appendices 1 and 2 provide a more detailed breakdown of the types of service provide by the LAs. These include:

- recruitment incentives;
- business grants;
- training support;
- property support; and
- sector specific support.

In addition to the LAs a range of partners also provide various business support products and services – see below.

Table 3.2: Business Support Services

Organisation	Types of Services
Scottish Enterprise	<ul style="list-style-type: none"> • Account Management • Leadership • Sector Development • Finance • R&D/Innovation/ International trade
Skills Development Scotland	<ul style="list-style-type: none"> • Modern Apprenticeships • Sector Skills • Workforce Development • Individual Learning accounts
West of Scotland Loan Fund	<ul style="list-style-type: none"> • Loan funding
Prince’s Trust	<ul style="list-style-type: none"> • Start up support • Mentoring
Employability Services	<ul style="list-style-type: none"> • Youth employment • Long term unemployment • PACE
Chamber of Commerce	<ul style="list-style-type: none"> • Business advice • Exporting
Scottish Government	<ul style="list-style-type: none"> • Range of services

In addition to the above, there are many public, private and third sector organisations who will provide different types of support to local SMEs – some free and some paid.

It will therefore be crucial that the future development of business support services is placed clearly within this crowded landscape – avoid duplication or overlap.

It may be appropriate for individual LAs to undertake a more detailed service mapping (if not currently available) as part of the early actions in looking to the future.

3.6 Company Feedback

As part of the research we set up a short on-line survey which was distributed by the LAs and targeted at SMEs who had been supported by BG.

The response has been generally poor (27 responses) but we have set out below a short review of the responses received.

- main responses from business services; ICT/Creative Industries; health; and retail;
- the majority (66%) pre-start, with 26% classed as start-up;
- only 7% report employing any staff – underscoring the focus on self-employment;
- the majority (75%) report that the support from BG was quite or very important – good levels of additionality;
- the main source of information about BG were word of mouth or internet search. There were no referrals for bank/ private sector and only 7% from LAs;
- BG was rated highly in terms of their understanding and provision of information and advice – 75% highly satisfied;
- main areas of support were around general start up and business advice. The main specific areas were business planning; sales/marketing; access to finance;
- around 80% would use BG in the future and recommend to others; and

- in terms of future service the absolute priority is for one to one support to be available. This is perhaps not surprising as everyone is likely to want bespoke support rather than as part of one to many.

A summary of the full survey responses is attached as an appendice.

4. Local Strategic Context

4.1 Introduction

This Chapter provides an overview of the strategic context within which BG services will operate and be delivered. This is a crucial aspect in looking to the future – any service **MUST** be consistent with and supportive of the strategic economic goals of the individual Authorities.

It also provides an overview of the high level priorities for each of the LAs in the form of a series of an individual BG Specification.

4.2 Economic Priorities

A summary of these is presented at Table 4.1 below.

This clearly highlights the different nature of the priorities at individual LA level – there is limited detailed commonality across the individual Authorities.

While there is a unanimous view that economic growth and jobs are the most critical element, how this will be achieved and where investment will be made reflects the specific issues and opportunities within each of the areas.

This is further expanded in Section 4.3 which reflects on the individual discussions with, and inputs from each of the LA partners.

Table 4.1: Economic Development Priorities

Authority	Renfrewshire	East Renfrewshire	Inverclyde
Strategy	Economic Development/ Invest in Renfrewshire Development Plan 2015-18	East Renfrewshire Growing our Future	Inverclyde Economic Development & Regeneration Single Operating Plan
Key Issues	<ul style="list-style-type: none"> Reducing unemployment and in particular youth unemployment. As a place to live, to work and for leisure. Support local businesses to establish, be sustaining and create jobs. Unlock regeneration/urban renewal priorities Connect successful Renfrewshire businesses to the local workforce Redefine and revitalise Paisley town centre Exploit our strategic connectivity. 	<p>East Renfrewshire will be a thriving sustainable community with:</p> <ul style="list-style-type: none"> a strong labour market the highest achieving education system a strong housing market a renowned independent food, leisure and niche retail and some of the best quality urban green spaces in Scotland. 	<ul style="list-style-type: none"> More and better jobs. Strengthening the business Key sectors with potential for growth Business and enterprise support Boosting skills Reducing worklessness Quality of business premises and economic infrastructure Regenerating disadvantaged areas Addressing population decline
Overarching Priorities	<ul style="list-style-type: none"> Improving employment and training opportunities for unemployed and under employed Renfrewshire residents. Assisting Renfrewshire businesses to grow. Promoting and developing Renfrewshire as an attractive place for businesses to locate and do business. Improving the economic performance of Paisley town centre and its social and physical regen 	<ul style="list-style-type: none"> Creating a vibrant and sustainable local economy is our priority objective Economic development to benefit wider Community benefit Entrepreneurship, innovation and self employment will also be promoted as valuable and viable career paths New homes and commercial property A place to visit 	<ul style="list-style-type: none"> To grow and diversify the business base To increase Inverclyde's capacity to accommodate jobs particularly in the private sector To boost skill levels and reduce worklessness To accelerate the regeneration of strategic employment sites and town centres To progress the renewal and economic regeneration of the most disadvantaged areas of Inverclyde To coordinate action and investment with our partners
Business Development Priorities	<ul style="list-style-type: none"> Continuing to develop and promote INcube Paisley Town Centre Enterprise and entrepreneurship To continue to grow the numbers of companies involved in IIR. To evaluate the benefits of IIR programmes To continue to work closely with Renfrewshire Chamber of Commerce 	<ul style="list-style-type: none"> Businesses and knowledge consultants - business service sector Provision of smart flexible business space Low carbon Retail and hospitality sectors Enterprise culture 	<ul style="list-style-type: none"> Provision of advice and support to businesses Inverclyde construction forum Business start-ups, self-employment and social enterprise Marine and renewable energy Financial and business services Tourism and leisure

4.3 LA Economic Priority Appraisals

This section provides an expanded review of the individual priorities of each of the LAs based on a series of discussions and workshops. These will inform and set the context for the option appraisal in Chapter 5.

4.3.1 Renfrewshire

Economic Profile Headlines

- main private sector employers:
 - manufacturing
 - construction
 - professional and business services
- main local business base (sectors of importance):
 - construction
 - retail
 - hospitality
 - business services
- growth sectors:
 - professional, financial and business services
 - creative industries
 - manufacturing
- self-employment:
 - around 10% of workforce
 - small increase, +6% in 5 years
- wages and earnings:
 - highest workplace wages (+6% above Scotland)
 - resident wages -4% lower than workforce wages
- key pointers:
 - some clear key sectors
 - continual fragmentation into smaller businesses
 - limited increases in self-employment
 - higher value business may reflect strong manufacturing components
- key challenge
 - more and higher value local jobs for local people

General Future Approach and Priorities

Overall view is that based on priorities and direction of travel, appropriate approach would not to have a single external contractor but with management of delivery centred internally and use of internal staff; key partners (e.g. Chamber or SE) and contracting for smaller, bespoke and specific support services.

- continue to make use of national central services – marketing/ enquiry handling/ CRM / and reporting;
- less focus on general volume starts and more on key priorities – currently around 40% budget allocated to generic (not HV) starts – target to reduce this to allow more support for growth activity;
- as a rule of thumb, longer term overall resources to be split 25/75 - start-up/ existing – the focus moves clearly to support existing businesses with growth potential and ambition;
- consider removing one to one or events support for volume start-ups – use of signposting to web sites/ online support or to other providers e.g. employability or NEA;
- key priorities will include:
 - retail/ tourism/ hospitality/ food/ construction/ care sectors
 - development of similar projects such as INcube that can promote and support innovation in areas such as creative. textiles/ food
 - maximising impact of city deal opportunities
- focus of support for entrepreneurship awareness and promotion;
- making greater use of partners and signposting to more appropriate organisations – this will require greater understanding and awareness; and
- support for safeguarding and supporting local companies of importance (discretionary but limited with actions subject to RC approval).

Service Delivery

The specific services to be delivered (what the £ will be used to purchase) will include the following:

- continue to access national services such as national marketing/ enquiry handling/ monitoring and reporting;
- provide a main central contact point for signposting/ referral and directing ALL local enquiries – only support for volume starts;
- formalised support for higher growth for both start-up and existing – where companies meet specified criteria (e.g. turnover)
- discretionary support for higher value start up and key sectors/ locations – where these are defined RC priorities (see earlier);
- expert/ consultancy help for sustainability to support local companies (of scale/importance) who may be in difficulty and require support to survive;
- product development – ability to develop, and test/pilot new initiatives;
- local marketing and promotion of services and entrepreneurship.

The above will be used to inform the detailed development of a future service specification. The specification has been completed based on information/ views supplied by the LA.

Renfrewshire BG Specification

Factor	Headlines	Pointers
Vision	Renfrewshire has a vision of a vibrant and growing local economy which will be supported by a higher than Scottish average business start-ups and a successful and highly productive SME sector providing high quality job opportunities for local residents. To achieve this vision Renfrewshire requires an effective Business Gateway programme providing relevant and timely interventions to client companies capable of contributing to and achieving this vision.	<ul style="list-style-type: none"> The economy is sustainable and businesses are competitive and resilient Provision of a supportive business environment, promotes investment, attracts and welcomes businesses Increase in the number of businesses and improved survival rates More companies achieving high growth characteristics; More key sector companies; More companies achieving internationalisation
Approach	Provision of a responsive, relevant and effective business support service to local entrepreneurs and the SME base.	<ul style="list-style-type: none"> Improved visibility within the business community by being better connected to relevant business groups and forums. To help local businesses grow faster against specific criteria. Identify and assist potential entrepreneurs through business start-up phase.
Strategic Objectives	<ul style="list-style-type: none"> Strengthening the enterprise culture Helping people start-up and stay in business Improved business survival and productivity Supporting business growth and job creation Help businesses to move to Renfrewshire, grow and create jobs Key sector development Internationalisation initiatives Supporting the growth of social enterprises 	<ul style="list-style-type: none"> Improve and strengthen relationships with the business community An increase in the number of high value companies entering growth pipeline Increasing business survival rates Increasing business start-up rates Increasing the number of social enterprises in the area.
Areas of Focus and Priority	<ul style="list-style-type: none"> Enterprise development Business start up Business incubator Business competitiveness Vibrant and thriving town centres Supporting social enterprise Access to finance for local businesses Management skills development 	<ul style="list-style-type: none"> Relevant and meaningful business engagement Providing appropriate support to Renfrewshire businesses Business support packages which improve start up, survival and growth rates. Recruitment and training incentives which encourage and enable client SMEs to provide more and better paid jobs. Renfrewshire's business incubator programme provides a package of support to budding entrepreneurs to enable them to develop their ideas into viable businesses with the potential to grow and create jobs
Services to be provided	<ul style="list-style-type: none"> Start up support Growth company development Training Support Exhibition support Property support Ecommerce support Capital asset support Micro loan funding Loan funding Retail Improvement scheme Recruitment and training incentives Provision of business mentoring/expert help Access to website and online learning tools Access to market reports Access to Council services 	<ul style="list-style-type: none"> Increase in the number of business start ups Funds are aligned to maximise enterprise growth and there is an increase in the number of enterprises entering growth pipeline. Increase in the number of businesses accessing the required finance to start up and grow. Development of town centre businesses in order to increase footfall, decrease business vacancies and increase employment in the towns.
Targets and outputs	<ul style="list-style-type: none"> Higher level of business start-ups and young company survival rates Improved business growth rates among companies Increased job numbers within assisted companies Improved access to capital for client companies. Reduction in the number of town centre vacant units 	<ul style="list-style-type: none"> Improved business start-up rates measured per annum Increased growth rates measured by annual client survey. Increased job numbers amongst client businesses Measurement of additional financial leverage Increased occupancy rates of town centre commercial premises.
Central services	<ul style="list-style-type: none"> Marketing and promotion Promotion of enterprise/ entrepreneurship CRM Quality Assurance Monitoring and reporting Service development 	<ul style="list-style-type: none"> Do businesses recognise Renfrewshire Council as the main deliverer of local business development services Are potential entrepreneurs aware of where and how to access start up support services Does the current CRM enable the delivery of efficient business support services Does the current BG website capture all the relevant data
Governance	<ul style="list-style-type: none"> Requirement for strong governance Need both strategic and operational coverage 	<ul style="list-style-type: none"> Should the three Councils remain together Is there a need for a central reporting function Where should staff be based and how should it be staffed Is there adequate staff/skills within each Council How would the admin function be split among 3 councils

4.3.2 East Renfrewshire

Economic Profile Headlines

- main private sector employers:
 - retail
 - hospitality related
 - professional and business services
- main local business base (sector of importance):
 - construction (including Construction Plus Partnership)
 - retail
 - hospitality
 - business services
- growth sectors:
 - professional and business services
 - creative industries
 - health and social care
 - but note fragmentation of employment
- self-employment:
 - increase +37% in 5 years
- wages and earnings:
 - resident wages nearly +50% higher than workforce wages
- key pointers:
 - some clear key sectors
 - increase in business base not mirrored by decline in employment
 - continual fragmentation into smaller businesses
 - big increases in self-employment
 - lower value business – basic service economy?
- key challenge
 - more and higher value local jobs for local people

General Future Approach and Priorities

Overall view is that based on priorities and direction of travel, appropriate approach would not to have a single external contractor but with management of delivery centred internally and adopting a mix use approach to include: internal staff; key partners (e.g. Chamber or SE) and contracting for smaller, bespoke and specific support services.

- continue to make use of central services – marketing/ enquiry handling/ CRM / and reporting;
- less focus on general volume starts and more on key priorities – currently around 50% budget allocated to generic starts – target to reduce this;
- as a rule of thumb resources to be split 40/60 - start-up/ existing;
- less one to one or events support for start-ups – more signposting to web sites/ online support;
- continuation of bespoke discretionary support (expert help);
- key priorities will include: companies locating to strategic locations; key sectors – (tourism/ hospitality/ sports & leisure/ construction/ higher value business services/ low carbon/health and social care); and supply chain development in connection with city deal;
- overall services will include: provision of information (on-line);
- potential to develop bespoke support programmes e.g. hospitality growth programme or market development for sports and leisure etc
- further support for enterprise awareness and promotion;
- support for safeguarding and supporting local companies of importance (discretionary but limited with actions subject to ERC approval)

Service Delivery

The specific services to be delivered (what the £s will be used to purchase) will include the following:

- continue to access national services such as national marketing/ enquiry handling/ monitoring and reporting;
- provide a main central contact point for signposting/ referral and directing ALL local enquiries. Local marketing and promotion of services and entrepreneurship;
- seek opportunity to deliver basic start-up service in consort with other LA(s);
- generic start up events – one to many – based on themes such as business plans/ marketing/ accessing finance etc;
- formalised support for higher growth for both start-up and existing – where companies meet specified criteria (eg turnover);
- discretionary support for higher value start up and key sectors/ locations – where these are defined ER priorities (see earlier);
- expert/ consultancy help for sustainability to support local companies (of scale or importance) who may be in difficulty and require support to survive;

The above will be used to inform the detailed development of a future service specification. The specification has been completed based on information/ views supplied by the LA.

Renfrewshire BG Specification

Factor	Headlines	Pointers
Vision	<ul style="list-style-type: none"> To support the economic vision of creating a vibrant and sustainable local economy Contribute to A Place to Grow – increase the overall level of economic investment 	<ul style="list-style-type: none"> Growth is defined as an increase in employment, income and GVA Success will be measured by an increase in <u>all</u> indicators
Approach	<ul style="list-style-type: none"> To offer a more targeted and prioritised serviced clearly aligned to our economic strategy Move service to higher value/priority opportunities Make better use of other services by signposting and sharing eg social enterprises To better join up all Council services that impact on business performance To be clearly recognised as a business friendly location – we want your business 	<ul style="list-style-type: none"> The BG service will not act in isolation but is one of many organisations with a locus in supporting the growth of businesses. While the service will deliver “hard power” it will seek to make better use its “soft power” The service should not be static but seek to continually evolve and develop to best reflect opportunities and challenges Capacity building - provide individuals with the skills required to support sustainable growth
Strategic Objectives	<ul style="list-style-type: none"> To support the delivery of the ER Economic Strategy To support the economy move towards higher value activities and jobs To support the growth of an entrepreneurial culture within East Renfrewshire To support employment opportunities for residents BUT with the focus on higher income jobs To ensure that business are not growth constrained through lack of appropriate business support 	<ul style="list-style-type: none"> Higher value jobs defined as those greater than £25,000 pa. Strong focus on support for young people and their aspirations Clear focus on strategic priorities and support for the ER Economic Strategy Entrepreneurial is defined as an increase in those expressing interest in starting a new or growing an existing business To fully engage with the private sector business advisory community
Areas of Focus and Priority	<ul style="list-style-type: none"> Less resource focus on volume business starts (target to reduce to 40%) –linkages with employability service Focus on growing key sectors/themes as defined by Scot Gov and ERC (50% of resources) Other priorities to include: companies <u>clearly</u> demonstrating significant growth ambition regardless of sector; sustaining local important companies (25%) Focus on securing resources from other partners/ sources (target match 50%) 	<ul style="list-style-type: none"> It is recognised that the landscape is crowded – need to ensure appropriate referrals Scot Gov as defined key sectors and this should be supplemented by local priorities Need to provide some form of definitions and segmentation –eg significant growth defined as increase of 100% over 3 years Flexibility will be required in order to address new opportunities able to deliver strong impacts
Services to be Provided	<ul style="list-style-type: none"> Continue to access national services Main central contact point for signposting/ referral Generic start up events – one to many Formalised support for higher growth Discretionary support for higher value/ priorities Expert/ consultancy help for sustainability 	<ul style="list-style-type: none"> Links to access to finance, skills and employability support Develop a pipeline mechanism to support customer journey Services should be continually reviewed and updated over time Allocation based around strategic focus/ splits
Targets and outputs	<ul style="list-style-type: none"> Responding to Dashboard Indicators Number key sector/growth businesses supported Income/ salary generation Growth in sales/ GVA/ exporting/jobs Leverage (internal and external) Sustainability/ survival rates 	<ul style="list-style-type: none"> Detailed target numbers can only be developed once budget allocations are known Will need to report against indicators as per funders eg ERDF Further details eg employee age/ gender etc Utilise published economic data to highlight direction of travel
Management and Delivery	<ul style="list-style-type: none"> Identified lead figure in ER who fronts up Develop MOU with key partners Seek LA partner for volume starts New local economic forum – public and private sector Develop process for review and future development 	<ul style="list-style-type: none"> Need for clear understanding of roles and responsibilities for all “players” in providing business services Relationships with SE/ SDS etc Should not be static for long term – need to be flexible in delivery while focused on objectives

4.3.3 Inverclyde

Economic Profile Headlines

- main private sector employers:
 - retail
 - manufacturing
 - transport and related
- smallest reduction in employment across three LAs:
 - main areas retail and manufacturing
- main local business base (sector of importance):
 - construction
 - retail
 - professional and business services
- growth sectors:
 - professional and business services
 - creative industries
 - financial services
- self-employment:
 - increase +10% in 5 years
- wages and earnings:
 - resident wages nearly +50% higher than workforce wages
 - out-commuting
- key pointers:
 - some clear key sectors
 - increase in business base not mirrored by decline in employment
 - continual fragmentation into smaller businesses
 - big increases in self-employment
 - lower value business – basic service economy?
- key challenge
 - more and higher value local jobs for local people

General Future Approach

There appears to be a strong desire for Inverclyde to de-couple from a joint approach with the other two authorities in order to reflect cost savings.

In particular, they see limited value in central reporting, management and service provision and believe savings can be made to the delivery costs if it becomes more self-contained.

Their economic strategy, while quite wide in focus, [see Chapter 2] has a strong emphasis on supporting new start businesses as the key priority.

The key sector priorities are:

- marine and renewable energy;
- financial and business services; and
- tourism and leisure.

To grow and diversify the business base is the overarching business development objective. Crucially, the business development aspects are seen as part of the economic growth mix along with infrastructure, business property and skills.

Service Delivery

IC have maintained a consistent line throughout the research that their preferred option is a Business Gateway run solely by and for Inverclyde with a focus on volume start activity, albeit they also see value in shared access to specialist consultancy for existing companies.

They also see particular value in continuing to deliver one to one support to volume starts that better reflects the specific nature of the individuals seeking support.

There also appears to be some appetite to consider sharing of particular aspects of a future service or joint commissioning of support.

The above will be used to inform the detailed development of a future service specification. The specification has been completed based on information/ views supplied by the LA.

Inverclyde BG Specification		
Factor	Headlines	Pointers
Vision	<p>Inverclyde has a vision of a vibrant and growing local economy.</p> <p>To achieve this vision Inverclyde requires an effective Business Gateway programme providing relevant and timely interventions to client companies capable of contributing to and achieving this vision.</p>	<ul style="list-style-type: none"> The economy is sustainable and businesses are competitive and resilient. Provision of a supportive business environment, promotes investment, attracts and welcomes businesses. Increase in the number of businesses and survival rates
Approach	Provision of a responsive, relevant and effective business support service to local entrepreneurs and the SME base.	<ul style="list-style-type: none"> Improved visibility within the business community by being better connected to relevant business groups and forums. Identify and assist potential entrepreneurs through business start-up phase.
Strategic Objectives	<ul style="list-style-type: none"> Contribute to the Single Operating Plan. Encouraging people to start up and stay in business. Improved business survival and productivity. Supporting business growth and job creation. Supporting the growth of social enterprises. 	<ul style="list-style-type: none"> Increasing business survival rates Increasing business start-up rates Increasing the number of social enterprises in the area.
Areas of Focus and Priority	<ul style="list-style-type: none"> Enterprise development Business start-up / volume starts 	<ul style="list-style-type: none"> Relevant and meaningful business engagement Providing appropriate support Business support packages which improve start up, survival and growth rates. Recruitment and training incentives which encourage and enable client SMEs to provide more and better paid jobs.
Services to be provided	<ul style="list-style-type: none"> Start up support as a national product Growth company development Training Support Property support Ecommerce support Marketing and Tourism 	Services to be provided within IC
Targets and outputs	<ul style="list-style-type: none"> Higher level of business start-ups and young company survival rates Improved business growth rates among client companies Increased job numbers within assisted client companies Improved access to capital for client companies. 	<ul style="list-style-type: none"> Improved business start-up rates measured on an annual basis. Increased growth Increased job numbers amongst client businesses
Central services	<ul style="list-style-type: none"> Marketing and promotion Promotion of enterprise/ entrepreneurship CRM Quality Assurance Monitoring and reporting 	<ul style="list-style-type: none"> Does the current CRM enable the delivery of efficient business support services Does the current BG website capture all the relevant data
Governance	<ul style="list-style-type: none"> Requirement for strong governance at a local level Need both strategic and operational coverage 	<ul style="list-style-type: none"> Is there a need for three Councils remain together Is there a need for a central reporting function Is there need for dedicated staff

4.4 Overview

It is clear that while there are some strong and common linkage across all three LAs, at a high level, there are real differences in both how this should be achieved (the approach) and the specific local priorities, either in terms of sectors or business stage.

For example, East Renfrewshire has a strong sector-based approach, while Renfrewshire wish to focus more on key companies and Inverclyde on boosting business start-ups. Further analysis of the service specifications highlights the differing focus of service delivery requirements.

Given this as a clear starting point, while not impossible, it is difficult to conceive how a single specification and delivery model could be developed that would effectively and efficiently address all individual LA aspirations.

This and other options are considered in more detail in the next Chapter.

5. Option Appraisal

5.1 Introduction

This section set out the option appraisal process, identifies possible options and provides a high level review.

5.2 Appraisal Background

This section sets out some details on good practice in undertaking an option appraisal.

Option appraisal is a practice that helps ensure projects or programmes meet their objectives in the most cost effective manner. Creating and reviewing options also provides an understanding of the potential range of actions that may deliver the objectives – it makes the project manager think – “is this the best way to achieve what I want?”

The underlying principle is that an option appraisal should be undertaken before it is decided which approach to pursue.

Option appraisal involves a set of principles that are part of a robust decision making process. The general principles of option appraisal are:

- being clear about what you are hoping to achieve – your objectives;
- considering the different ways in which these objectives could be achieved – the options;
- assessing the costs and benefits of the different options – both quantifiable and non-quantifiable;
- identifying all the pros and cons of the options and quantifying them and valuing them wherever possible;
- considering any risks and sensitivities;
- considering the most appropriate and best value use of resources, not just focussing on the lowest initial costs but also the actual returns.

There is however, no standard approach to option appraisal and it will vary considerably between projects both in conduct and scale. For example, the level of detail required to conduct an option appraisal of a one off £100K project will be significantly less than for a £100 million programme. They should both however, follow the same broad approach.

It is also good practice to use a long list/ short list approach where the detailed appraisal is only undertaken on the short-listed options. This allows for a much wider and less constrained analysis and will provide an opportunity for wide consultation.

Undertaking an option appraisal for a project or programme is important for a number of reasons – the main one being it helps make good decisions about the use of scarce public resources. It also has wider benefits including:

- enabling informed and transparent decisions to be taken;
- providing a consistent approach to decision making;
- helping achieve maximum effectiveness and best value;
- providing a clear basis for understanding cost effectiveness;
- ensuring that the option selected is more likely to meet the desired objectives;
- supporting strategic decision making as it allows a like for like comparison with other projects and therefore supports prioritisation;
- providing the context for future monitoring and evaluation.

It is therefore a valuable technique and is undertaken as part of the wider project development and appraisal process.

The basic principle of option appraisal is to convert all costs and benefits into “values” that can be compared and contrasted.

It is however, recognised that in some cases it will be difficult or costly to obtain the level of information to conduct a thorough quantitative appraisal and that a qualitative approach can also be appropriate. However, it should be made clear why this is the case – it is often seen as the easy option and should only be accepted where there is a clear rationale. In many cases it would also be appropriate to provide both a quantitative and qualitative appraisal (see below) as this will provide a more robust conclusion and allow better consideration of non-financial factors.

5.3 BG Option Appraisal Framework

The option appraisal is based on a scoring system which comprises a set of weighted criteria, each of which has been subdivided into a range of sub-criteria. This approach seeks to ensure that each option is systematically and objectively assessed against criteria that cover all aspects of the wider strategic objectives of the project, *viz.* to establish the most effective and efficient model for the delivery of business (Business Gateway) support services that is best able to:

- support business starts and growth in order to achieve economic growth in the regional economy;
- meet the challenges set out in the developing European, national and regional economic policy;
- provide a cost effective service that seamlessly joins with other LA and partner services;
- improve service delivery and achieve greater outcomes; and
- potential to develop an effective and nimble structure that is responsive to customer needs.

On the basis of these overarching objectives we have developed a series of assessment criteria against which each of the options will be appraised. Other considerations such as the actual availability of funding or specific political priorities should also be capable of being taken into account in determining final outcomes. It is important to recognise that the proposed method will only result in a prioritised list (a ranking) that simply says that against a particular set of objective criteria one option scores higher than another against the chosen variables.

The system will therefore support all the Councils in their decision making – the appraisal does not make decisions, it only helps rationalise them.

The factors that will determine which score is awarded are detailed on the individual appraisal sheets. An additional weighting is placed on each of the key criteria to reflect their relative importance.

An initial meeting/ discussion with the steering group considered the range of potential options and agreed a list of six for consideration and further appraisal.

These are as follows:

- Option 1: Do Nothing;
- Option 2: Region wide external contact;
- Option 3: Region wide in-house;
- Option 4: Region wide hybrid model; and
- Option 5: Individual LA approach.

Other options could include, ALEO/ Commissioning Models/ West of Scotland model but these were quickly dismissed as inappropriate for a range of reasons but primarily the time to implement aspects.

While it is always appropriate that a do nothing option is considered as this would involve the LAs stopping delivering any BG services is unlikely to be tenable for a number of reasons.

At one level, some of the original information failures which BG was established to address have been removed – most individuals have internet connectivity and can access (freely) a wide range of information from a range of sources.

However, all Councils have as a top priority the growth of the local economy and growing employment. It would seem perverse if under these circumstances they pulled out of business support.

Finally, although Scottish Government provided BG funding it is not ring fenced – there is a strong expectation that they will continue to deliver BG in some form.

Each of the remaining options are now considered in more detail.

5.4 Defining the Options

An initial workshop with the Councils identified a range of potential options and agreed a list of four for consideration and detailed appraisal. These are as follows:

- Option 2: retender the contract and continue to deliver a region-wide externally procured service – a similar approach to the current contract;
- Option 3: deliver all the services through a single shared region-wide in-house model with all services being provided directly by LA staff;
- Option 4: deliver some of the services through a single shared region-wide in-house model with some being externally procured;
- Option 5: each LA to access its “share” of BG funding and deliver its own unique approach on an individual basis.

After further consideration, we believe that option 4 is in fact a sub-set of option 3 with only slight variation and as such the two will be considered as a single option.

As such the appraisal will consider Options 2, 3 and 5, as detailed above.

5.5 Appraisal Criteria

The appraisal criteria were designed to reflect the objectives and specification.

Key	Appraisal Criteria to Consider
Strategic Issues	Fit with and delivery of economic policy
	Linkages within and across Council
	Linkages with Partners
	Linkage to wider Council services
Business Operations Issues	Internal staff motivation
	Transferred staff motivation
	Internal management and operational skills
	Internal costs – HR/legal
Effectiveness Issues	Outputs/ Impact
	Minimise duplication
	Opportunities for partnerships
	Potential for external influence
Efficiency Issues	Set up and property/ other costs
	Overall delivery costs
	Financial risk
	Flexibility
Service Delivery	Management resource capability/ time
	Responsiveness to change
	Skills issues
	Levels of structural/ governance complexity
Implementation	Impact on staff (internal and external)
	Responsiveness to customers
	Time to set up
	Legal/ Employment Issues
External Issues	Business views/ responses
	Business organisations views/ responses
	Impact on Partners
	Reputational risk

Each component of the selection criteria is awarded one of three possible scores: High (5); Medium (3); Low (1).

An additional weighting (1.5) is placed on two key criteria [effectiveness and efficiency] to reflect their relative importance as per the research objectives.

5.6 Scoring the Options

Overview Scores

The scoring of options, both at the gross level, and with weighting applied is summarised below. The detailed scoring of individual options are contained in the appendix.

Table 5.1: Un-weighted Scores

Scoring criteria	Option 2	Option 3/4	Option 5
Strategic	14	20	20
Operational	16	14	14
Effectiveness	14	20	18
Efficiency	12	14	16
Service delivery	14	12	14
Implementation	10	10	14
External	12	12	10
Total	92	102	106

Please note that weighting of an additional 50% was applied against the effectiveness (outputs and impacts) and efficiency (inputs and risk) scoring criteria to reflect the importance of these issues with delivering future support provision.

Table 5.2: Weighted Scores

Scoring criteria	Option 2	Option 3/4	Option 5
Strategic	14	20	20
Operational	16	14	14
Effectiveness	18	30	27
Efficiency	21	21	24
Service delivery	14	12	12
Implementation	10	10	14
External	12	12	10
Total	105	119	123

5.7 Assessment of Scores

It can be seen that the scores are relatively close across the three options, but with Options 3/4 and 5 scoring higher.

The major differences appear to be that Option 3-5 score higher in terms of strategic fit (if it is fully in LA control and much easier to fit with changing policy/ strategy); and a slightly better opportunity to achieve impact through being more focused on priorities.

- Option 2: External contract Mode²:
 - scores well on potential for efficiency (costs) and for low risk
 - scores less well in terms of external factors and strategic issues
- Options 3/ 4: Regional In-House Delivery Model:
 - scores strongly on potential effectiveness and efficiency issues
 - scores less well on implementation or set up
- Option 5: Individual LA Model:
 - scores well in strategic and efficiency issue
 - scores less well in terms of implementation and risk factors

Overall, there is marginal differences between the scores of the three preferred options, with trade-offs against the various sub-criteria. In particular, if the existing contractor was to obtain the contract this could have the potential to increase the score of option 2 – although this could not be guaranteed and as such we have discounted any effect.

As there are limited absolute ways to differentiate the options based on their overall scores, there is a need to consider some other factors which we have detailed below.

These are set out to provide some additional commentary on the various options and highlight some other issues for consideration.

² Note: we have not assumed that it is the same contractor which could result in a slightly higher score

5.8 Further Issues for Consideration

In addition to the formal scoring elements there are some other issues which should also assist future decision making.

The national review of Business Gateway concluded that there was no clear evidence to identify whether an in-house or contracted-out model was the most effective and efficient – there is no clear cut “right” answer.

There has however, been a clear trend for more LAs to bring the service in-house over the last few years and we understand that more have already committed to this for the future programme period.

The rationale for these are mixed and there does not appear to be a single clear cut reason for the decisions. It does appear clear that in the short term at least, bringing the service in-house may cause some disruption to service unless the change is properly planned and well implemented with a clear work programme.

A crucial aspect that has been raised by other LAs is the benefit of integrating LA services i.e. (environmental, planning, property etc) alongside mainstream business support and providing a seamless set of wider business support services.

The initial focus for this research was to seek to assess how BG could offer a more effective and efficient service in the future. On that basis we have provide some additional commentary below.

Costs of delivery (Efficiency)

In considering options for delivery our focus has been largely on the benefit side of the appraisal as it is difficult to pin down the actual costs of different options without going through a full market testing exercise.

However, at one level we can make a reasonable assumption that the different options will require roughly similar levels of input resources to deliver similar levels of outputs, e.g. it is unlikely that it would be possible to deliver the same quality of service with half the staff resources than are currently deployed.

The internal LA option may also be able to deliver saving in a number of other ways:

- the internal delivery options would not include a contractors management fee or contribution to overheads;
- there may be less need for internal contract management and reporting time requirements;
- the office space occupied by the contractors would be available for use for other LA functions or potential revenue generation;
- an internal approach is not tied to a formal contract and associated fee and offers more flexibility to individual LAs.

There is also the potential for savings through the use of new delivery channels (e.g. more use of on-line) or sharing services (more one-to-many) or large scale purchasing (piggybacking onto national procured contracts for specialist services).

Scale will be an issue where it is likely that larger contracts will result in lower unit costs than smaller ones – albeit the market may be restricted. The alternative is however, that smaller contractors may be of interest to more local suppliers but the units costs may be higher. .

Delivering Outputs (Effectiveness)

While some of the LAs wish to use the changes to focus more on strategic growth priorities by moving resources from volume starts, this is not a consensus position.

There is no clear evidence to suggest that an in-house approach would be more effective than an external one, although it should offer more flexibility and allow the LA to move or bend resources towards developing priorities.

The opposite of course is for an external contract focused on outcomes and with strong performance measures.

It is also worth noting that the smaller LAs may currently have a lack of internal resources (at present) to manage a transition and would seek to piggyback with other Authorities.

Finally, it is worth highlighting that an internal delivery model would allow the LA to deploy and utilise its existing resources in a more effective manner and to retain and grow staff capability.

Supply Side Capacity and Capability

The assessment has shown that while the external contracting model scores well in a number of areas this is based on the assumption of the same contractor winning a new tender.

If a new contractor were appointed it is easy to see there could be initial teething problems and possible disruption to service, and as such the option score could be lower.

At present, there appear to be a limited number of organisations delivering BG contracts in Scotland: ENET; DHP; BDA; and LESL and it is unclear if there would be any greater interest from new providers in the future.

There is nothing to suggest that the situation would be significantly more competitive in the future and it is likely that the Councils may have to deal with limited competition. The key benefits of this option (if it remains with current contractor) are that it is the least disruptive and can deliver “business as usual”.

The external option may therefore result in very limited competition which in turn is likely to impact on competitiveness.

5.9 A Financial Model

In order to assist further consideration if Option 5 were to be pursued, we have given thought to the potential “split” of any future BG funding made available from Scottish Government, if that is the eventual preferred option.

In considering this it is important to reflect that this is not the only resources available to support business development – internal LA budgets and the new ERDF Programme will also form inputs for future activity.

Our understanding is that there is no standard “model” or approach for how budgets are split between LAs with some stating that they have no idea the basis for any allocations.

In order to provide a guide for further consideration we have presented a range of metrics that show the split of the current situation or activity across the three Authorities.

The metrics chosen reflect the potential market size for each of the authorities and as such are an objective approach to future allocations.

It is not suggested that these are definitive or any one should have precedence over another but they do provide a sense of scale across the three areas.

Table 5.1: LA Metrics and Analysis

	Pop	Bus	Jobs	Self-Emp	New BA	Key Sector	Average
East Renfrew	27%	26%	17%	37%	25%	31%	27%
Inverclyde	23%	20%	24%	18%	26%	20%	22%
Renfrew	50%	54%	59%	45%	49%	49%	51%

The detailed numbers are attached as an appendix and can be used to help inform any subsequent budget splits.

There is of course an alternative approach which is that it is the under-performing areas which require to be brought up to a higher level and should receive more support or that allocations are based on previous uptake (demand) within individual areas – although we understand that this would be a complex and difficult calculation to make. At a high level it should be possible to agree a “fair” allocation across all three authorities subject of course to formal negotiations.

5.10 Initial Conclusions

The Option Appraisal identified five initial options, which were shortened to three main options for more detailed assessment. This was based on a scoring framework using a range of 28 individual factors against which each option was scored.

The scoring was largely objective and was based on the research presented in this report; available evaluation evidence; discussions with the three LAs; and the consultants wider experience.

While the scoring of the options resulted in a small range between the different options, the in-house model edged it as the preferred option.

A further discussion of some of the wider issues tends to the case for some form of in-house model, on the balance of the assessment.

We also believe that it would be particularly difficult to achieve a consensus on a new single region-wide specification for a future contract.

There is also one caveat that needs to be considered - the lack of knowledge around the various costs for each option which means we have been unable to undertake a full detailed cost-benefit analysis of each option.

The option appraisal has presented a considered assessment and set of views that will hopefully allow and support the Councils to make a rationale and appropriate choice for the future delivery of business services in Renfrewshire.

6. Strategic Overview

6.1 Summary

This report has set out the background context and provided a review of the desired focus for a future BG service for Renfrewshire.

It is clear that all LAs are looking for change – more of the same is not an acceptable outcome. There is a desire for greater effectiveness, more focus on evolving growth agenda, more need to reflect local priorities (which are different across the three LAs).

There is also a clear desire to improve efficiency and to offer up savings as part of a wider budgetary agenda. This aspect is likely to continue in the future.

It is also clear that it would be unlikely that there could be an agreement around a single uniform specification for a future BG service that would meet the full aspirations of all Partner LAs.

We did however detect a desire, if possible and practical, to maintain some form of cross-LA strategic and working relationships – it is not unilateral independence and as such in going forward this should form part of the wider considerations.

6.2 Overview Conclusions

Our view is that, based on the evidence presented, the option which best meets the aspiration of each LA and is able to deliver an effective and efficient service would be the in-house model.

However, this must be tempered by our view that the various options are unlikely to deliver significantly different outputs as there is no evidence that different models (in-house or out-sourced) deliver superior outputs³.

³ See recent and previous review of Business Gateway National

A key issue is that without really understanding the detail behind the different cost models it would not be possible to arrive at a robust and objective conclusion. There is a belief within the Councils, however, that an in-house service will offer the actual and potential range of saving benefits (see Section 5.8).

One potential financial implication is however that in-housing has the potential to make the resource levels more vulnerable to other pressures on LA – it is much more difficult to cut external contracts. This could be seen as either a positive or negative factor.

There is however, a strong appetite across the three Councils to have a more strategic and flexible approach that is clearly focused on their individual priorities – particularly in relation to the growth agenda which BG has to date found to be a challenging objective.

There may also be an opportunity to at least consider a hybrid model whereby some activities are delivered through a region wide contract as the process and procedures are similar and this would ensure economies scale which should mean better value than delivery through smaller contracts.

However, it is also clear that individual Councils wish to develop a bespoke approach to deliver against their other priorities. This could be either through using internal resources to deliver services or in tendering for specific bespoke service e.g. specialist hospitality consultants to work with local hotels etc.

Our final conclusion is that while we cannot determine a black or white answer to the key question of what is the most effective and efficient way to deliver BG services – any assessment is predicated on lots of assumptions and secondary data, and any local “political” views and opinions and will by necessity be highly qualitative in its assessment.

On that basis the in-house option would appear to best meet the future requirements of the individual LAs.

The information provided in this report will provide a range of background information and data to support that decision making process.

Appendix 1 Developing a Future Specification

BG Specification

We have noted below some additional issues for consideration in developing a detailed BG specification.

The longer term delivery of business start-up and growth services is clearly identified as a priority for all three Councils and as such is likely to continue in some form.

As a starting point, the LA partners will agree to make their decision regarding the future format and delivery of BG services, based on the information as set out in this report and with only limited detailed cost data.

- the first issue is to confirm which Option is to be pursued in terms of the delivery all BG services – this is the fundamental question;
- regardless of the desired option, each LA will require to develop its own detailed specification (based on the overview presented in this report) in terms of the services which it wants to see delivered around intervention themes:
 - enterprise awareness and promotion
 - business start support (volume and higher value)
 - existing business support;
- it will be helpful to agree or develop a notional allocation of resources across each theme to clearly set out direction of travel:
 - % allocated to enterprise promotion
 - % allocated to volume starts;
 - % allocated to existing business;
- for each area of intervention develop a strategic framework to cover:
 - definition of priorities
 - key areas of areas of intervention
 - segmentation criteria
 - immediate outputs
 - outcome/ impacts
 - products (programmes);

- for each of the services develop a delivery approach which could include a mix of some of the following:
 - enquiry handling and client management
 - in-house or external on line information/ help-line
 - in-house or external telephone help line for information, advice and signposting
 - in-house or external contract delivery of start-up events
 - in-house or external contract delivery of one to many workshops
 - in house or external bespoke one to one start up advice
 - initial diagnostic (internal or external)
 - expert/ specialist help delivered by internal staff or external contract;
- these services could be delivered in a number of ways to include:
 - individual
 - bundled
 - all service
 - cross-LA;
- as there will be a need to report performance against a national framework - develop local framework that sets out indicators and targets. Based on this review this could include metrics such as:
 - new business
 - survivability
 - increase sales
 - type of jobs
 - exports
 - skills/capacity development
 - net employment
 - GVA
 - income;

- consideration of how to manage and deliver central (non-client services) including:
 - contract management and reporting
 - enquiry/ client handling
 - local marketing
 - prospecting
 - stakeholder relationships
 - signposting/ referrals
 - monitoring/ evaluation;
- develop a partnership/ stakeholder plan to clearly show how new service will engage with other projects/ programmes and other enterprise agencies;
- although outside our area of expertise, we believe that may be TUPE issues both in terms of any financial implications and also in terms of the transfer of staff having the right skills sets for a future service; and
- consideration of how and where to engage with BG National to avoid overlap or duplication in areas such as:
 - current 0800 number / initial enquiry handling
 - current national marketing

As was highlighted earlier, there is no right or wrong answer and it will depend on the aspirations of the individual LAs. As such this can only be developed further within the individual organisations.

Appendix 2: Detailed Option Scoring

New External Contract

Option 2: New External Contract			
1 Strategic Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Fit and delivery of economic policy	Strong fit with economic policy, incl ERDF	High	3
	Some fit with economic policy	Medium	
	Quite remote from economic policy	Low	
Linkages within and across Councils	Clear and strong links into Council	High	3
	Some links into Council	Medium	
	Limited links into Council	Low	
Linkage with Partners	Ability for strong linkages	High	3
	Opportunity for some linkages	Medium	
	Limited – more stand alone	Low	
Linkage into wider Council services	Strong potential to link	High	3
	Some potential to link	Medium	
	Limited potential	Low	
<i>Total Score</i>		12	
<i>Final Score</i>		12	

Option 2: New External Contract			
2 Business Operations Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Internal staff motivation	Positive	High	3
	Neutral	Medium	
	Negative	Low	
External staff motivation	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Internal management and operational skills	Good skills/ resources already in place	High	5
	Some skills/ resources already in place	Medium	
	Limited skills/ resources already in place	Low	
Internal costs resources eg HR/legal	Limited costs/ resource implications	High	5
	Some costs/ resource implications	Medium	
	High costs/ resource implications	Low	
		<i>Total Score</i>	16
		<i>Final Score</i>	16

Option 2: New External Contract			
3 Effectiveness Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Outputs and impacts	Potential to improve	High	5
	Limited opportunity to improve	Medium	
	Potential negative effects	Low	
Minimise duplication or overlaps	Good opportunities	High	3
	Some opportunities	Medium	
	Limited opportunities	Low	
New partnership opportunities	Good opportunity for new partnership development	High	3
	Some opportunity for new partnership development	Medium	
	Limited opportunity for new partnership development	Low	
Potential for external influence	Good	High	3
	Some	Medium	
	Limited	Low	
<i>Total Score</i>		14	
<i>Final Score</i>		21	

Option 2: New External Contract			
4 Efficiency Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Set up/ property/ other costs	Limited costs	High	5
	Some but not high costs	Medium	
	Significant costs	Low	
Overall costs	Lower than current	High	3
	Similar to current	Medium	
	Higher than current	Low	
Financial risk	Minimal financial risk	High	3
	Some financial risk	Medium	
	High level of financial risk	Low	
Flexibility on service delivery	Easy to change/ expand/ contract as required	High	1
	Some flexibility	Medium	
	Limited flexibility	Low	
<i>Total Score</i>		12	
<i>Final Score</i>		18	

Option 2: New External Contract			
5 Service Delivery			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Management resource capability/ time	Already fully in place	High	5
	Some gaps	Medium	
	Significant gaps	Low	
Responsiveness to change	Ability to change and react quickly	High	3
	Can react but may take little time	Medium	
	Can react but may take some time	Low	
Levels of structural/ governance complexity	Straightforward and simple to operate/understand	High	3
	Between simple and complex	Medium	
	Complex structures and governance	Low	
LA staff and delivery	Operation staff have all required skills	High	3
	Some need for training/ development	Medium	
	May require new LA staff with new skills	Low	
<i>Total Score</i>		14	
<i>Final Score</i>		14	

Option 2: New External Contract			
6 Implementation			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Impact on staff (internal and external)	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Responsiveness to customer demands over set up period	No change	High	1
	Possible some delay	Medium	
	Potential major gap in delivery	Low	
Time to set up	Short – within a few months	High	3
	Medium – 6 – 9 months	Medium	
	Up to a year	Low	
Legal/ Employment Issues	None/limited	High	3
	Some	Medium	
	Many/complex	Low	
<i>Total Score</i>		10	
<i>Final Score</i>		10	

Option 2: New External Contract			
7 External Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Likely business views/ responses	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Likely business organisations views/ responses	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Impact on Partners	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Potential reputational risk	Low	High	3
	Medium	Medium	
	High	Low	
		<i>Total Score</i>	12
		<i>Final Score</i>	12

Region Wide Internal Delivery/ Bespoke external

Option 3/4: Region wide in-house with option for bespoke external specialist contracts			
1 Strategic Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Fit and delivery of economic policy	Strong fit with economic policy, incl ERDF	High	5
	Some fit with economic policy	Medium	
	Quite remote from economic policy	Low	
Linkages within and across Councils	Clear and strong links into Council	High	5
	Some links into Council	Medium	
	Limited links into Council	Low	
Linkage with Partners	Ability for strong linkages	High	5
	Opportunity for some linkages	Medium	
	Limited – more stand alone	Low	
Linkage into wider Council services	Strong potential to link	High	5
	Some potential to link	Medium	
	Limited potential	Low	
		<i>Total Score</i>	20
		<i>Final Score</i>	20

Option 3/4: Region wide in-house with option for bespoke external specialist contracts			
2 Business Operations Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Internal staff motivation	Positive	High	5
	Neutral	Medium	
	Negative	Low	
External staff motivation	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Internal management and operational skills	Good skills/ resources already in place	High	3
	Some skills/ resources already in place	Medium	
	Limited skills/ resources already in place	Low	
Internal costs resources eg HR/legal	Limited costs/ resource implications	High	3
	Some costs/ resource implications	Medium	
	High costs/ resource implications	Low	
<i>Total Score</i>		14	
<i>Final Score</i>		14	

Option 3/4: Region wide in-house with option for bespoke external specialist contracts			
3 Effectiveness Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Outputs and impacts	Potential to improve	High	5
	Limited opportunity to improve	Medium	
	Potential negative effects	Low	
Minimise duplication or overlaps	Good opportunities	High	5
	Some opportunities	Medium	
	Limited opportunities	Low	
New partnership opportunities	Good opportunity for new partnership development	High	5
	Some opportunity for new partnership development	Medium	
	Limited opportunity for new partnership development	Low	
Potential for external influence	Good	High	5
	Some	Medium	
	Limited	Low	
		<i>Total Score</i>	20
		<i>Final Score</i>	30

Option 3/4: Region wide in-house with option for bespoke external specialist contracts			
4 Efficiency Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Set up/ property/ other costs	Limited costs	High	1
	Some but not high costs	Medium	
	Significant costs	Low	
Overall costs	Lower than current	High	5
	Similar to current	Medium	
	Higher than current	Low	
Financial risk	Minimal financial risk	High	3
	Some financial risk	Medium	
	High level of financial risk	Low	
Flexibility on service delivery	Easy to change/ expand/ contract as required	High	5
	Some flexibility	Medium	
	Limited flexibility	Low	
		<i>Total Score</i>	14
		<i>Final Score</i>	21

Option 3/4: Region wide in-house with option for bespoke external specialist contracts			
5 Service Delivery			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Management resource capability/ time	Already fully in place	High	3
	Some gaps	Medium	
	Significant gaps	Low	
Responsiveness to change	Ability to change and react quickly	High	3
	Can react but may take little time	Medium	
	Can react but may take some time	Low	
Levels of structural/ governance complexity	Straightforward and simple to <u>operate/understand</u>	High	3
	Between simple and complex	Medium	
	Complex structures and governance	Low	
LA staff and delivery	Operation staff have all required skills	High	3
	Some need for training/ development	Medium	
	May require new LA staff with new skills	Low	
<i>Total Score</i>		12	
<i>Final Score</i>		12	

Option 3: In House Delivery			
6 Implementation			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Impact on staff (internal and external)	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Responsiveness to customer demands over set up period	No change	High	1
	Possible some delay	Medium	
	Potential major gap in delivery	Low	
Time to set up	Short – within a few months	High	3
	Medium – 6 – 9 months	Medium	
	Up to a year	Low	
Legal/ Employment Issues	None/limited	High	3
	Some	Medium	
	Many/complex	Low	
		<i>Total Score</i>	10
		<i>Final Score</i>	10

Option 3/4: Region wide in-house with option for bespoke external specialist contracts			
7 External Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Likely business views/ responses	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Likely business organisations views/ responses	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Impact on Partners	Positive	High	5
	Neutral	Medium	
	Negative	Low	
Potential reputational risk	Low	High	1
	Medium	Medium	
	High	Low	
		<i>Total Score</i>	12
		<i>Final Score</i>	12

Internal Individual Bespoke

Option 5: Individual Bespoke			
1 Strategic Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Fit and delivery of economic policy	Strong fit with economic policy, incl ERDF	High	5
	Some fit with economic policy	Medium	
	Quite remote from economic policy	Low	
Linkages within and across Councils	Clear and strong links into Council	High	5
	Some links into Council	Medium	
	Limited links into Council	Low	
Linkage with Partners	Ability for strong linkages	High	5
	Opportunity for some linkages	Medium	
	Limited – more stand alone	Low	
Linkage into wider Council services	Strong potential to link	High	5
	Some potential to link	Medium	
	Limited potential	Low	
		<i>Total Score</i>	20
		<i>Final Score</i>	20

Option 5: Individual Bespoke			
2 Business Operations Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Internal staff motivation	Positive	High	5
	Neutral	Medium	
	Negative	Low	
External staff motivation	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Internal management and operational skills	Good skills/ resources already in place	High	3
	Some skills/ resources already in place	Medium	
	Limited skills/ resources already in place	Low	
Internal costs resources eg HR/legal	Limited costs/ resource implications	High	3
	Some costs/ resource implications	Medium	
	High costs/ resource implications	Low	
		<i>Total Score</i>	14
		<i>Final Score</i>	14

Option 5: Individual Bespoke			
3 Effectiveness Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Outputs and impacts	Potential to improve	High	5
	Limited opportunity to improve	Medium	
	Potential negative effects	Low	
Minimise duplication or overlaps	Good opportunities	High	5
	Some opportunities	Medium	
	Limited opportunities	Low	
New partnership opportunities	Good opportunity for new partnership development	High	5
	Some opportunity for new partnership development	Medium	
	Limited opportunity for new partnership development	Low	
Potential for external influence	Good	High	3
	Some	Medium	
	Limited	Low	
		<i>Total Score</i>	18
		<i>Final Score</i>	27

Option 5: Individual Bespoke			
4 Efficiency Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Set up/ property/ other costs	Limited costs	High	3
	Some but not high costs	Medium	
	Significant costs	Low	
Overall costs	Lower than current	High	5
	Similar to current	Medium	
	Higher than current	Low	
Financial risk	Minimal financial risk	High	3
	Some financial risk	Medium	
	High level of financial risk	Low	
Flexibility on service delivery	Easy to change/ expand/ contract as required	High	5
	Some flexibility	Medium	
	Limited flexibility	Low	
<i>Total Score</i>		16	
<i>Final Score</i>		24	

Option 5: Individual Bespoke			
5 Service Delivery			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Management resource capability/ time	Already fully in place	High	3
	Some gaps	Medium	
	Significant gaps	Low	
Responsiveness to change	Ability to change and react quickly	High	3
	Can react but may take little time	Medium	
	Can react but may take some time	Low	
Levels of structural/ governance complexity	Straightforward and simple to <u>operate/understand</u>	High	5
	Between simple and complex	Medium	
	Complex structures and governance	Low	
LA staff and delivery	Operation staff have all required skills	High	3
	Some need for training/ development	Medium	
	May require new LA staff with new skills	Low	
<i>Total Score</i>		14	
<i>Final Score</i>		14	

Option 5: Individual Bespoke			
6 Implementation			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Impact on staff (internal and external)	Positive	High	5
	Neutral	Medium	
	Negative	Low	
Responsiveness to customer demands over set up period	No change	High	3
	Possible some delay	Medium	
	Potential major gap in delivery	Low	
Time to set up	Short – within a few months	High	3
	Medium – 6 – 9 months	Medium	
	Up to a year	Low	
Legal/ Employment Issues	None/limited	High	3
	Some	Medium	
	Many/complex	Low	
		<i>Total Score</i>	14
		<i>Final Score</i>	14

Option 5: Individual Bespoke			
7 External Issues			
<u>Sub Criteria</u>	<u>Criteria Description</u>	<u>Score Range</u>	<u>Score</u>
Likely business views/ responses	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Likely business organisations views/ responses	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Impact on Partners	Positive	High	3
	Neutral	Medium	
	Negative	Low	
Potential reputational risk	Low	High	1
	Medium	Medium	
	High	Low	
		<i>Total Score</i>	10
		<i>Final Score</i>	10

Appendix 3: Business Service Mapping

Other Forms of Business Support

		Start Up	Business Growth	Finance	Specialist Services	Skills	Environment	Operating Business	Property
Organisation	Programme	Enterprise entrepreneurship; pre-start; start-up; survivability	Growing business; sustainability; key sector	Access to finance; business planning; provision of finance	Innovation; R&D; marketing; ICT; exporting	Management; business; technical	Energy; waste; green markets	CSR; regulation; tax	Planning; premises
Renfrewshire Council	Recruitment Incentive 2015-18			X	X	X			
Renfrewshire Council	Vacancy Management Service				X	X			
Renfrewshire Council	Graduate Subsidy		X	X		X			
Renfrewshire Council	New Start Growth Fund			X					
Renfrewshire Council	Young Company Development Fund	X		X					
Renfrewshire Council	Business Growth Fund	X	X	X					
Renfrewshire Council	Investment Fund/ Microloan Fund	X		X					
Renfrewshire, East Renfrewshire and Inverclyde Councils	West of Scotland Loan Fund		X	X					
Renfrewshire Council	Renfrewshire Business Training Support Programme			X		X			
Renfrewshire Council	Retail Improvement Scheme			X					X
LEADER	LEADER	X	X	X					
Renfrewshire Council	Social Enterprise Small Grants Fund		X	X					
UK Government	Broadband Voucher Scheme			X	X				

Inverclyde Council	Property Assistance Grant			X					X
Renfrewshire, East Renfrewshire and Inverclyde Councils	Tourism Grants		X	X	X				
Inverclyde Council	Small Business Assistance Grant		X	X					
Inverclyde Council	Business Training Support Grant		X	X		X			
Renfrewshire, East Renfrewshire and Inverclyde	Investment Fund			X					
Inverclyde Council	Small Business Loan Scheme	X	X	X					X
Scottish Government	Regional Selective Assistance		X	X					
East Renfrewshire Council	Micro Loan Fund	X		X					
East Renfrewshire Council	Training Support			X		X			
East Renfrewshire Council	Employ A Graduate Intern			X	X	X			
East Renfrewshire Chamber of Commerce	Mentoring, networking etc.	X	X		X	X			
Renfrewshire Chamber of Commerce	Mentoring, networking etc.	X	X		X	X			
Greenock Chamber of Commerce	Mentoring, networking etc.	X	X		X	X			
Federation of Small Businesses	Advice, mentoring, networking etc.	X				X			
Renfrewshire, East Renfrewshire and Inverclyde	Business Rates Relief			X				X	X

Economic Development Programmes

Name of Programme	Area	Brief Description	Objectives and Targets	Progress to date	Resources (£)	Resources (FTE internal staff)
Recruitment Incentive 2015-18 (Invest In Renfrewshire)	Renfrewshire	Subsidy of up to £4963 to employers who recruit from a pool of unemployed young people. Up to 2 applications can be made per business each year. Position must be 30+ hrs pw. Subsidy paid in instalments.	249 places available	This round launched July 2015. Under previous programme, 442 positions created between June 2012 - Oct 2014	£1,111,287 over a three year period (council, ESF and Scottish Govt)	Administered by Invest In Renfrewshire
Vacancy Management Service (Invest in Renfrewshire)	Renfrewshire	Offers a free recruitment service, including marketing, handling applications and shortlisting applicants and arranging interviews.				Administered by Invest In Renfrewshire
Graduate Subsidy (Renfrewshire)	Renfrewshire	Offers up to 70% subsidy of £8 p/h wage to take on a graduate employee, to a max. contribution of £5k, for period of 6 to 11 months. Available to SMEs. If already receiving another subsidy, this funding can be used to top it up (up to £5k)	40 positions per annum	170 Graduate Internships have been created, 117 within the Council and 53 with local companies. (June 2012 - Aug 2015)	£200k per annum	Administered by Invest In Renfrewshire

New Start Growth Fund (Invest in Renfrewshire)	Renfrewshire	Up to £1k towards new business start-up costs. Aimed at those with the potential to generate turnover of at least £70k in 12-18 months or to take on staff in same timeframe. Retail/personal services generally excluded.				Administered by Invest In Renfrewshire
Young Company Development Fund (Invest in Renfrewshire)	Renfrewshire	Available to businesses less than 5 years old. Provides up to 50% of eligible property improvement, capital expenditure and rental costs, to max of £10k.				Administered by Invest In Renfrewshire
Business Growth Fund (Invest in Renfrewshire)	Renfrewshire	Up to 50% of costs to a max. of £10k; available to new and existing businesses across all sectors. Can be put towards R&D, ICT, feasibility studies, innovation, attendance at exhibitions etc.		316 companies offered grants to pursue development, training, exhibition and ICT projects, totalling £1,441,354." June 2012- Aug 2015. Figure likely includes other programmes		Administered by Invest In Renfrewshire

Investment Fund/ Microloan Fund (Invest in Renfrewshire)	Renfrewshire	Supports creation and development of SMEs. Unsecured loans of £1k - £5k available to new-starts or those trading less than 5 years who have a BG advisor.		£76,600 in grants provided (June 2012 - January 2015). Figure remained static Jan - Aug 2015		Administered by Invest In Renfrewshire
West of Scotland Loan Fund (administered locally by each local authority)	Renfrewshire, East Renfrewshire and Inverclyde	Loans of up to £50k for businesses trading more than 2 years; £30k for those less than 2 years.				Administered by each local authority's Economic Development department
Renfrewshire Business Training Support Programme (Invest in Renfrewshire)	Renfrewshire	Up to 50% of costs to manufacturing and business-to-business service to fund training for existing and new employees.				Administered by Invest In Renfrewshire

Retail Improvement Scheme (Invest in Renfrewshire)	Renfrewshire	Provides a grant of between £800 and £10,000 (up to 80% of costs) to help improve properties within retail areas e.g. shops, restaurants, services. Chain stores not eligible.		119 formal applications approved, totalling £700,000 (June 2012 - Jan 2015). Latest funding round still to be launched - website states this was meant to happen in Spring 2015		Administered by Invest In Renfrewshire
LEADER (area-wide)	Renfrewshire, East Renfrewshire and Inverclyde	EU-funded community development programme, promoting small scale development in rural areas. Micro/small businesses and social enterprises are eligible. Awards of £5k - £125k, max. 50% costs.		Current funding round launched 2014	£2,324,196 in Renfrewshire/East Renf/Inverclyde. 25% spent on admin. 2014-2020 funding round.	Programme Coordinator (1FTE), Compliance Officer (0.05FTE, Renf Council employee 1 day a month) and a two year post for a LEADER Project Development Officer (1FTE)
Social Enterprise Small Grants Fund (Invest in Renfrewshire)	Renfrewshire	Small grants of up to £5,000 to Renfrewshire-based social enterprises for e.g. project work, feasibility studies/consultancy, new services, organisational development		Launched December 2014. Approved 11 awards totalling £50,282 by August 2015.	£100,000	Administered by Invest In Renfrewshire

Broadband Voucher Scheme (in all 3 council areas as of April 2015)	Renfrewshire	Vouchers of £100 - £3,000 for eligible SMEs to improve broadband to at least 30 Mbits/s				Administered centrally (in Glasgow)
Property Assistance Grant (Inverclyde Council)	Inverclyde	Support of between 20% and 50% of approved building costs to a maximum of £10,000 for general and security improvements to business properties.				Administered by Inverclyde Council Regeneration & Planning Services
Tourism Grants (Inverclyde Council)	Renfrewshire, East Renfrewshire and Inverclyde	Grants of up to £1,000 for tourist related businesses seeking to improve services, upgrade facilities or increase marketing activity. Up to 50% of costs.	20 assists per annum			Administered by Inverclyde Council Regeneration & Planning Services
Small Business Assistance Grant (Inverclyde Council)	Inverclyde	Grants of up to £5k/50% of costs; capital projects to boost business growth. Available to SMEs.				Administered by Inverclyde Council Regeneration & Planning Services
Business Training Support Grant (Inverclyde Council)	Inverclyde	Up to £2000/50% of costs for training for business development with potential to improve business turnover / profitability or employment.				Administered by Inverclyde Council Regeneration & Planning Services

Investment Fund (across 3 council areas)	Renfrewshire, East Renfrewshire and Inverclyde	Interest free repayable finance of £1k - £5k, over 1 to 2 years. Part funded by ERDF. Open to SMEs. Retail generally excluded.				Administered by each local authority's Economic Development department
Small Business Loan Scheme (Inverclyde)	Inverclyde	Interest free loans repayable over 3 years, max. £5k, available to SMEs. Retail not eligible.				Administered by Inverclyde Council Regeneration & Planning Services
Regional Selective Assistance	Renfrewshire, East Renfrewshire and Inverclyde	Discretionary grant from Scottish Government for building/plant/equipment to help create/secure jobs. Must be in an eligible Assisted Area - all wards in Inverclyde have this.				Scottish Government/individual councils
Micro Loan Fund (East Renfrewshire)	East Renfrewshire	Loans of between £3k - £5k repayable over 3 years for start-up/social enterprise projects, via East Renfrewshire Credit Union.				East Renfrewshire Council
Training Support (East Renfrewshire)	East Renfrewshire	Discretionary grant to help with skills training/development. Up to 50% of costs.				East Renfrewshire Council
Employ A Graduate Intern (East Renfrewshire)	East Renfrewshire	Assistance from ERC internship team with advertising, shortlisting candidates and organising interviews.				East Renfrewshire Council

East Renfrewshire Chamber of Commerce	East Renfrewshire	Chamber membership provides networking opportunities, 10 events per year, awards ceremony each year, and other benefits.				
Renfrewshire Chamber of Commerce	Renfrewshire	Membership provides free business mentoring service, 75 events per year inc. monthly networking lunch, awards ceremony each year, and other benefits.				8 staff
Greenock Chamber of Commerce	Inverclyde	Free business mentoring (online, 1-2-1 or group), events inc. monthly breakfast, networking etc.				
Federation of Small Businesses	Renfrewshire & Inverclyde Branch	Members have access to networking events, finance for business, data services, mentoring and awards programmes amongst other services.				
Business Rates Relief	Renfrewshire, East Renfrewshire and Inverclyde	Relief on property business rates - e.g. for empty properties, for new usage of previously empty properties, for new builds, for charities...				

Appendix 4: SME Survey Responses

To be made available as separate PDF document.

Appendix 5: Financial Metrics

	Population		Business Base		Jobs		Self Emp		New Bank Accounts		Key Sector		Average
	No	%	No	%	No	%	No	%	No	%	No	%	
East Renfrew	93,000	27%	2,600	26%	20,000	17%	6,700	37%	146	25%	990	31%	27%
Inverclyde	80,000	23%	2,000	20%	29,000	24%	3,200	18%	154	26%	645	20%	22%
Renfrew	175,000	50%	5,300	54%	71,000	59%	8,200	45%	285	49%	1,585	49%	51%
Total	348,000	100%	9,900	100%	120,000	100%	18,100	100%	586	100%	3,220	100%	