

THE HIGHLAND COUNCIL
PLANNING, ENVIRONMENT & DEVELOPMENT COMMITTEE
19 NOVEMBER 2008

Agenda Item	
Report No	

BUSINESS GATEWAY

Report by Director of Planning and Development

SUMMARY

This report updates Members on developments with the introduction of the Business Gateway service to Highland in 2009 and seeks Committee approval to a delegated decision making process to enable negotiations and key decisions to be taken outwith the forthcoming Committee cycle.

The introduction of this service is directly supportive of the Council's Administration Programme commitment to *"work with the Scottish Government, the business community, HIE and the third sector to promote business growth including more local businesses and social enterprises through the establishment of Business Gateway by 2008 and other Council support"*.

1. Update

- 1.1 In September 2008 Committee agreed that Highland Opportunity Ltd. be contracted by the Council to deliver the Business Gateway service in Highland. To enable this to take place by the target date of 1st April 2009, significant work is underway at the national level, at the Highlands and Islands regional level and locally with Highland Opportunity Ltd.
- 1.2 As previously advised, the Business Gateway service in lowland Scotland has two aspects to its delivery. The first relates to central core services provided directly by Scottish Enterprise, for example, marketing, while the second relates to local advisory services provided by contractors. When the contracts for local delivery were transferred on 1st April 2008 to a number of lead local authorities, this was accompanied by a Memorandum of Understanding which defined the core Business Gateway services that Scottish Enterprise would continue to provide during 2008/09.
- 1.3 To enable the Business Gateway service to be extended to the Highlands and Islands a similar Memorandum of Understanding is required with the provider of these national core services. At the current time discussions are ongoing at the national level as to whether the provider of these core services will continue to be Scottish Enterprise or not. Allied to this and to help define the core services required, efforts are ongoing to agree the new national core service and associated minimum standards.

- 1.4 This work will inform the cost of the Business Gateway service and hence will be used in negotiations over the budget transfer from HIE and whether additional funding is required from the Scottish Government for both the one-off establishment costs and recurring revenue costs for the central Business Gateway services.
- 1.5 A draft contract specification is currently being prepared and once finalised, after agreement is secured on the national core service and associated minimum standards, it will be formally issued to Highland Opportunity Ltd. In practice close joint working with Highland Opportunity Ltd is ongoing at this time to establish arrangements for the introduction of the new service. To this end good progress has already been secured with the acquisition by Highland Opportunity of the premises at 81 Castle Street, Inverness. This property will be used as the Highland Business Gateway office and offer clients 'High Street' access to the service.
- 1.6 Discussions are also ongoing with Moray Council to determine whether the Council, via Highland Opportunity Ltd., could provide some or all of the Business Gateway services for Moray.

2. Way Forward

- 2.1 To enable the Business Gateway service to be introduced in Highland, agreement will need to be reached on:
- The core services to be provided as per the Memorandum of Understanding
 - Budget transfer
 - Contract with Highland Opportunity Ltd.

There is a significant amount of work ongoing by the Chief Executive and the Planning & Development Service. It must, however, be recognised that it is highly likely that it could be well into the new year before final decisions are made.

- 2.2 It is therefore realistic to anticipate that it may not prove possible to report and seek Committee approval on the various decisions required. Therefore it is considered prudent that Committee agree at this time a process of delegated authority to enable the Council to move quickly in negotiations and to take decisions that allow arrangements to be put in place for the Business Gateway service to be established and operational by 1st April 2009. Progress reports will be presented to the January 2009 and March 2009 Planning, Environment and Development Committee.

3 Resource Implications

- 3.1 The Council's position is that the transfer of the Business Gateway function is to be at nil net cost to the Council.

4. RECOMMENDATION

4.1 The Committee is recommended to:

- (i) Note current developments at the national, regional and local level regarding preparations for the introduction of the Business Gateway service to Highland.
- (ii) Agree that the Chief Executive, in conjunction with the Convener, Leader of Council, Chair of Planning, Environment and Development Committee and Director of Planning and Development, has delegated authority to negotiate and agree the terms of the Memorandum of Understanding, the Budget transfer and the Contract with Highland Opportunity Ltd. for the delivery of the Business Gateway service in Highland.

Signature:

Designation: Director of Planning and Development

Date: 07 November 2008

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