

**THE HIGHLAND COUNCIL**  
**PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE**

**13 AUGUST 2008**

Agenda Item	
Report No	

**BUSINESS GATEWAY**

**Report by Director of Planning and Development**

**SUMMARY**

This report seeks to update Members on ongoing developments with the transfer of the Business Gateway function to the Council.

The introduction of the Business Gateway service is supportive of the Council's Programme for Administration commitment to *"work with the Scottish Government, the business community, HIE and other statutory development bodies to develop services and infrastructure that reflect the needs of Highland businesses and create employment opportunities"*.

**1. Background**

- 1.1 As reported to the PED Committee in January 2008, John Swinney MSP, Cabinet Secretary for Finance and Sustainable Growth, announced plans in September 2007 to refocus Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE). One element of the announcement was that local government was to be responsible for *'supporting local businesses serving local markets'* and that Business Gateway was to be extended to the HIE area and across Scotland was to be managed by local government.
- 1.2 Business Gateway is advertised as the first point of contact for services to business. It delivers:
- Business Advisory Services
  - Business Information (finance, employing people, sales & marketing etc.)
  - Start-up courses
  - Business Workshops and Events (Marketing, accounts, e-business, people and general management)
  - Signposting to other public sector services

When businesses are of a particular scale, or are high growth or in key sectors they are referred to the Enterprise Networks for specific and targeted support.

**2. Update**

- 2.1 Arrangements for the transfer have taken time to progress. In the SE area, the existing Business Gateway supplier contracts have now been transferred to a number of lead local authorities. Agreement has also been reached that SE will in the meantime retain the central functions (website, contact centre, marketing and CRM system) but a transitional Committee, chaired by Scottish Government, will in the interim jointly manage the central functions, oversee performance and

make arrangements for future management. The Committee, will include nominated local government, Scottish Government, HIE, SE and business representatives. A Highlands and Islands local authority officer representative (to be agreed) will sit on this Committee.

- 2.2 Within the Highlands and Islands the Business Gateway service does not exist. Rather HIE deliver some of the services in-house (around 30%) and the other services (70%) are delivered under contract by a private company – Development Partners. As reported to Council over the past few months COSLA in support of the Highlands and Islands local authorities, has been in active discussions with the Scottish Government over the manner in which Business Gateway should be delivered at the local level in the Highlands and Islands. Basically debate was focused on whether an open-tender approach was required to identify the local supplier or whether the local authorities could develop in-house solutions appropriate to their geography.
- 2.3 At the end of May following a meeting attended by the Convener when the case was made for local decision-making on how the Business Gateway service should be delivered locally, John Swinney, Cabinet Secretary, wrote to the Council advising that the Government would agree with COSLA a core service with minimum standards for the Business Gateway. Thereafter the Highlands and Islands local authorities should take forward the approach they think is most appropriate in their local area, subject to these national minimum standards.
- 2.4 Details are still awaited as to what these minimum standards or ‘core values’ are but it is understood that they are not to be identical throughout the country and can be adjusted to meet local circumstances. Once they are known and HIE have confirmed their revised client management policy, efforts can be progressed to prepare a contract specification in line with the decision taken in January 2008 at the PED Committee to consider the appointment of a supplier to deliver the Business Gateway service. A further report on this matter will be brought to a future meeting of the PED Committee.
- 2.5 While clearly it is unfortunate that the transfer of the Business Gateway function has been delayed, the decision that it can now be delivered by the Council as it sees fit based on local circumstances is welcomed and gives better opportunity to deliver a service that Highland businesses need.

### **3. Current Service Delivery**

- 3.1 HIE and its contracted supplier, Development Partners Ltd., will continue to deliver the equivalent service to those interested in setting up in business or those who are starting out or are in business, until alternative arrangements are in place. At a recent meeting with Development Partners Ltd. on 28 July 2008 it was confirmed that the demand from businesses for their advisory services remains strong and has not been affected by the transfer delay.

### **4. Financial Implications**

- 4.1 There are no resource allocations arising directly from this report but the transfer of the Business Gateway function from HIE to the Council will be accompanied by a transfer of funds from HIE to the Council. The extent of any additional one-off costs linked to the introduction of Business Gateway will be addressed in future

reports. The Scottish Government has recognised that there will be one-off set up costs and has indicated that it will consider the financial implications arising from this.

**5. RECOMMENDATION**

5.1 The Committee is recommended to note the current situation with the transfer of the Business Gateway function from HIE to the Council and that a further report will be presented to Committee to determine how the Council should deliver the Highland Business Gateway service.

Signature:

Designation: Director of Planning and Development

Date: 5 August 2008

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