

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 9TH MAY 2005

REPORT ON: FUNDING OF THE BUSINESS GATEWAY 2005-06

REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT

REPORT NO.: 300-2005

1 PURPOSE OF REPORT

1.1 To inform the committee of the results from the Business Gateway, progress towards a revised Business Gateway and to confirm the level of Council funding for the project for the current financial year.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee agrees -

- a. to fund the business gateway for 2005/06 as detailed in this report.
- b. to agree to support a bid for an enterprise facilitation pilot project in Dundee.
- c. to note that changes are to be proposed to the operation of the Business Gateway from 1st April 2007 and that a further report will be forthcoming when the implications of those changes are known.

3 FINANCIAL IMPLICATIONS

3.1 A provision of £115,000 from the 2005/2006 revenue budget has been allocated.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 The Business Gateway as a publicly funded initiative will comply with all necessary local agenda 21 requirements.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The Business Gateway has a written equal opportunities policy to the satisfaction of the council.

6 REPORT

6.1 The Committee will be aware that the City Council was a founding partner of the Business Shop Dundee Ltd. The Business Shop was amalgamated with Tayside's other Business Shops in Arbroath and Perth in 2001 to form the Small Business Gateway. That in turn changed in July 2003 into the Business Gateway for Tayside.

6.2 The three local authorities in Tayside in partnership with Scottish Enterprise Tayside fund the Business Gateway. The service provided by the Gateway has proved to be of good value over the past year, having achieved the following results for the 12 months to the end of March 2005:

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- new business start-ups – 681 (target 680) in Tayside, 278 in Dundee (target 285)
- start-ups in SIPS areas – 33 (target 40) all in Dundee
- start-ups by women – 298 (target 225), 121 in Dundee (target 94)
- start-ups by under 18-30 year olds – 125 (target 100), 75 in Dundee (target 42)
- existing business assists – 98 in Dundee (target 95)
- community based marketing activities – 15 in Dundee (target 12)
- presentations to social economy business – 7 in Dundee (target 6)
- presentations to Universities/Colleges – 10 in Dundee (target 10)
- community based marketing activities – 15 in Dundee (target 12)

- 6.3 Performance targets have already been agreed for the year 2005/6, including:-
- new business start-ups – 685 (285 in Dundee)
 - start-ups in SIPS areas – 30 (all in Dundee)
 - start-ups by women – 218 (93 in Dundee)
 - start-ups by under 30 year olds – 100 (43 in Dundee)
- 6.4 It is proposed therefore to continue funding the Gateway in 2005/06 at the existing level ie an overall contribution of £115,000, £45,000 of which is the rent for the property at 19 King Street, Dundee, and £70,000 of which is a contribution towards staff and marketing.
- 6.5 Scottish Enterprise has indicated that across its area it intends to contract for Business Gateway services to a common format and to a common starting date of 1st April 2007. At present each LEC area contracts on a different basis. The contract from SET for the Tayside Gateway is therefore being extended to 31st March 2007.
- 6.6 The implications of this change for the current Gateway company in Tayside are not yet clear beyond that date and discussions are underway both locally and nationally. Once these implications are clear a further report will be brought to the Committee.
- 6.7 The Council has been made aware that the Scottish Executive wishes to pilot three projects across Scotland based on a model developed in the United States by the Sirolli Institute. This is based on what is known as 'enterprise facilitation'. This is a community based enterprise stimulation and support mechanism using techniques developed by the Sirolli Institute. These pilot projects will run for 30 months and will be funded largely by the Scottish Executive with a lesser amount of support to be pledged from the local community.
- 6.8 This concept makes greater use of support mechanisms not yet fully engaged in the enterprise stimulation process such as the wider business community and community networks. Whilst there are instances of good practise in the City such as the Enterprise Advice project, Dundee Business support group and the Determined To Succeed programme these do not focus on the wider issue of the promotion of enterprise and entrepreneurial behaviour, an area where the city had consistently under performed.
- 6.9 It is proposed that the Council agrees to facilitate the making of a bid for one of these pilots, that it makes its premises available for the holding of meetings if necessary and that it is remitted to the Director of Economic Development to progress this work within the available budget of the department.

7 CONSULTATIONS

- 7.1 The Chief Executive, Depute Chief Executive (Support Services) and Depute Chief Executive (Finance) have been consulted during the preparation of this report.

8 BACKGROUND PAPERS

- 8.1 None.

DOUGLAS A A GRIMMOND
DIRECTOR OF ECONOMIC DEVELOPMENT

DATE: 28TH APRIL 2005