

**REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 10TH JUNE 2002**

**REPORT ON: FUNDING OF THE SMALL BUSINESS GATEWAY 2002-03**

**REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT**

**REPORT NO.: 485-2002**

**1 PURPOSE OF REPORT**

1.1 To inform the committee of the success of the Small Business Gateway and to outline a proposed council contribution to the project.

**2 RECOMMENDATIONS**

2.1 It is recommended that the committee agree in principle to continue to fund the Small Business Gateway service in Dundee.

**3 FINANCIAL IMPLICATIONS**

3.1 There are no financial implications that would impact on the revenue budget provisions for 2002/2003.

**4 LOCAL AGENDA 21 IMPLICATIONS**

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

**5 EQUAL OPPORTUNITIES IMPLICATIONS**

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

**6 IMPACT ON ANTI-POVERTY STRATEGY**

6.1 The Small Business Gateway provides advice to all sectors of the community about setting up in business.

**7 REPORT**

7.1 From 1996 Dundee City Council funded The Business Shop - Dundee Ltd, and since 2001 the Small Business Gateway to provide a service to those wishing to set up in business and small businesses employing less than 25 people. Both the City Council and SET have funded this. The Council provides funding on an annual basis, which this year is £115,000 made up of cash and in kind contributions. The balance of the core funding comes from SET, who contributes annually.

7.2 The Small Business Gateway is the amalgamation of the three previous business shops, in Dundee, Arbroath and Perth. Along with Scottish Enterprise Tayside, the Small Business Gateway is funded by and supported by the three local Councils. The committee agreed to fund the Small Business Gateway last year, as a contribution to the work of the partnership network. The Small Business Gateway Service has provided good value for money over the past year, and with the continued support should deliver the results all funding partners have set.

7.3 The funding partners have set targets for the next year including a target of 235 new business start-ups in Dundee. Results for the period April 2001 to March 2002 show that the Small Business Gateway has handled 15,990 enquiries through the information service, now centralised in Dundee, with 6,283 from Dundee.

- 7.4 There have been a total number of 11,240 other enquiries. The figures show that of the 11,240 enquires 4,717 came from new users while 6,253 came from repeat users. There were 4,981 enquiries relating to start-ups whilst existing businesses and others accounted for 6,382.
- 7.5 The funding partners also required the Small Business Gateway to attend events and awareness sessions. During the period there were 1,256 people at start-up events whilst 355 people attended events for existing businesses.
- 7.6 The total number of new business start-ups in Tayside during the period April 2001 - March 2002 was 571 with 34 new start-ups in SIP'S areas and 193 new business start-ups by women. There were 28 start-ups for under 26 year olds, whilst ethnic minorities created 2 new start-ups. Finally there were 17 high growth start-ups in the last year.
- 7.7 The results above show that the Small Business Gateway has provided a valuable service to the community at large and has proven to be good value for money. Dundee City Council have been requested to contribute £115,000 to the service with £45,000 being rent for the property at 19 King Street Dundee and a contribution of £70,000 towards staff and marketing.
- 7.8 For the period where funding is being sought, targets have already been set for the Small Business Gateway. The Gateway plans to assist 238 women into business, 33 SIP residents and 60 young people {under 26 year olds}, with 13 high growth ventures. The Small Business Gateway Tayside believes these figures to be realistic and achievable.
- 7.9 Dundee aims to assist 90 of the 238 women in to business, with all 33 SIP Residents coming from Dundee. The Small Business Gateway also aims to assist 23 out of the 60 under 26 year olds and 5 of the high growth ventures. With an overall start up rate of 235 businesses from the 3 start-up advisers based in Dundee.
- 7.10 There has been an operational restructure throughout the Business gateway during the last year. This has lead to the centralisation of management and the business information team in Dundee. It has created a more streamlined approach to the business, with cost savings in management and administration allowing more "front line" provisions.

## 8 CONSULTATIONS

- 8.1 The Chief Executive and Directors of Finance and Support Services have been consulted during the preparation of this report.

## 9 BACKGROUND PAPERS

- 9.1 No background papers, as defined in Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

**DIRECTOR OF ECONOMIC DEVELOPMENT.....Date.....**