

REPORT TO: ECONOMIC DEVELOPMENT COMMITTEE - 21ST APRIL 2003
REPORT ON: FUNDING OF THE SMALL BUSINESS GATEWAY 2003-04
REPORT BY: DIRECTOR OF ECONOMIC DEVELOPMENT
REPORT NO.: 282-2003

1 PURPOSE OF REPORT

- 1.1 To inform the committee of the success of the Small Business Gateway and confirm the level of Council funding for the project.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee agrees to fund the Small Business Gateway as detailed in the report subject to review by the Director of Economic Development once the details of the Business Gateway proposals are known.

3 FINANCIAL IMPLICATIONS

- 3.1 A provision of £115,000 from the 2003/2004 revenue budget has been allocated.

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 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.

- 6.2 The Small Business Gateway is funded by the three local authorities in Tayside in partnership with Scottish Enterprise Tayside. The service provided by the Gateway service has proved to be of good value over the past year, having achieved the following results:-

- new business start-ups - 569 in Tayside (249 in Dundee)
- information enquiries - 13,333 throughout Tayside (5,884 from Dundee Companies)
- other enquiries - 18,655 (8,099 from new users and 10,556 from repeat users)
- attendance at start-up events - 1,750 people
- start-ups in SIPS areas - 33
- start-ups by women - 201
- start-ups by under 26 year olds - 48
- start-ups by ethnic minorities - 13
- high growth start-ups - 15 (5 in Dundee)

6.3 Performance targets have already been agreed for the year 2003/4, including:-

- new business start-ups - 645 (258 in Dundee)
- start-ups in SIPS areas - 37 (all in Dundee)
- start-ups by women - 220 (90 in Dundee)
- start-ups by under 26 year olds - 60 (23 in Dundee)
- high growth start-ups - 15 (5 in Dundee)

6.4 It is proposed therefore to continue funding the Gateway in 2003/4 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 It should also be noted that the Scottish Executive intend to transform all of the Small Business Gateways across Scotland into Business Gateways providing access to services for all businesses. The expected date for this transformation is 1st July and discussions are in progress at local and national level regarding the implications of this.

6.6 There may be implications arising from the Gateway proposals that will affect the way in which Dundee City Council delivers its business development and advice service. These implications are not yet clear but will emerge from the discussions currently underway. The revised Business Gateway will at a minimum provide a sign-posting service to businesses for all local authority services. The Economic Development department is the lead department for the Gateway and will co-ordinate this with other Council departments.

6.7 These discussions are expected to continue for some time and in the meantime it has been agreed that each party will seek approval to continue the current level of funding for a further year with the proviso that should things change substantially each party has the right to review their position.

7 CONSULTATIONS

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

8 BACKGROUND PAPERS

8.1 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.

DOUGLAS A A GRIMMOND

DIRECTOR OF ECONOMIC DEVELOPMENT DATE: 11th April 2003