

FALKIRK COUNCIL

Subject: MY FUTURE'S IN FALKIRK - BUSINESS SUPPORT STRATEGY
Meeting: ECONOMIC STRATEGY & DEVELOPMENT COMMITTEE
Date: 19TH APRIL 2011
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

- 1.1 In February 2011, Committee approved a draft Business Support Strategy for consultation. This report updates Members on the results of the consultation and presents a revised Business Support Strategy for approval – Appendix 1.
- 1.2 Business Support is a key element of the economic development initiative *My Future's in Falkirk – The Way Forward*. The updated initiative was approved by Committee in February 2010.

2.0 CONSULTATION

- 2.1 The draft Business Support Strategy which was presented to Committee in February had already been subject to consultation as it was developed through discussions and a workshop held with Committee Members, a range of Council services, Falkirk for Business and other business partners. A second stage of consultation has now been completed. This was done through publishing the draft strategy on the My Future's in Falkirk website and carrying out a presentation at the Falkirk Business Panel update event on 18th March 2011, after which the audience of 100 business representatives discussed the strategy in 8 facilitated discussion groups. The audience also completed a questionnaire on business support priorities and performance.
- 2.2 The discussion groups considered the following two questions:-
- Which types of business support would be most beneficial to businesses?
 - How could the business support network help businesses to increase the number of people they employ?
- 2.2.1 To the first question on business support priorities, there was a wide range of responses. This was to be expected given the wide spectrum of businesses represented. The key elements of business support which businesses identified included:-
- Mentoring – growing businesses are looking for Trusted Advisors/Non-Executive Business mentors to deliver support and guidance.
 - Business Finance - access to capital funding and grants for enhancing premises, particularly retail.

- Advice on employment legislation and better signposting of schemes such as Modern Apprenticeships.
- More networking events “cross border” to widen business opportunities.
- Training – more information about training opportunities for staff, training integrated with what employers actually require, better inter-agency communication between training providers and businesses.
- More information about on-line training and business tools available, e.g. investment appraisal, business reviews and credit control systems.
- Property – quicker response time in dealing with enquiries.

2.2.2 In summary, the businesses attending identified a need for support for those businesses which are no longer start-ups but not yet high growth. Also, training appears to be an area of confusion, with some businesses not aware of what is available and how to access it.

2.2.3 To the second question, on what would help businesses increase employment, the responses included:-

- Employment legislation – SMEs need help to minimise the burden of red tape and to ease the fear factor around committing to taking on employees. Problems with employees can cripple a small business
- Too many young people leaving school without the skills and knowledge required, with no understanding of the realities of working life and poor literacy. There is a need to get youngsters into the workplace/work mode earlier.
- Work placements are not long enough. Better one day a week over several weeks/months, rather than just a one week block.
- Longer placements to build up a work history; employers are more likely to recognise references and give jobs to committed long-term work placement trainees.
- Potential employers are unaware of schemes which can help with costs, candidates etc.; they don’t have time to chase/contact different agencies and need more joined up support.

2.2.4 In summary, employment proved to be a fairly “hot” topic with several challenges on the supply side as well as demand – e.g. the work-readiness of young people. There is a wariness of employment legislation and potential legislation, particularly in SMEs without HR departments. However interest was expressed in schemes such as Modern Apprenticeships, though many did not know what was on offer.

2.2.5 While the discussion groups produced a wealth of feedback suggesting improvements, they also included positive comments on business support work already being done in the area, with some delegates surprised to hear just how much is already happening through partnership work with Smart Exporter, Supplier Development Programme and other initiatives.

2.3 Turning to the questionnaire which businesses completed, the main object was to help confirm which elements of business support are considered most and least important. In addition, the questionnaire asked how well these elements are provided at present. The

results from the survey have been used to help refine the priorities of business support going forward. The results from 65 respondents are outlined below.

- 2.3.1 The importance of various types of business support has been ranked on a scale 1-5 (5 being the most important) in the table below.

Type of Business Support	Importance (out of 5)
Business networking	4.24
Management training – Marketing	4.09
Support for new business start-ups	4.06
Business finance (loans grants, equity)	4.05
Management training – e-Commerce	3.95
Management training – Business planning	3.95
Training for employees	3.88
Management training – Public sector contracts	3.86
Business mentoring	3.63
Management training – Leadership	3.62
Providing appropriate business property for lease	3.55
Management training – Resource efficiency	3.38
Management training – Exporting	3.30
Management training – Recruitment	3.28

- 2.3.2 The above scores are quite tightly bunched together at levels which indicate that none of the business support elements is considered unimportant. The scores range from 3.28 to 4.24 out of 5 and the most highly rated elements in terms of importance are business networking, management training in marketing, start-up support and business finance. Some of the lower scoring elements such as exporting may be seen as more specialised and not relevant to all businesses. However, they may still be important areas for many businesses and for the wider imperative to boost export performance.

- 2.3.3 The questionnaire also asked businesses how well business support is provided at present in the Falkirk area. Not unsurprisingly there were a larger number of “don’t know” responses to this question as businesses may only be familiar with the services they actually use. However the highest scoring elements were business networking, start-up support, business finance and management training in business planning. Elements which are rated high in importance and relatively low in terms of provision will be examined to see if provision can be enhanced.

- 2.3.4 Comments on the draft strategy were also received from Scottish Enterprise and the Centre for Entrepreneurship at the University of Strathclyde. These endorsed the Council’s approach and made some suggestions on the focus of actions to connect with SE services and enhance the Business Support Officer. These are reflected in the final document.

3.0 FINALISED BUSINESS SUPPORT STRATEGY

- 3.1 The business support consultation generally confirms the previous understanding of business support priorities and the needs of businesses. It nevertheless has generated additional information which has been carefully considered and incorporated as far as possible in a revised draft strategy. This is presented as a finalised Draft Business Support Strategy – see Appendix 1.

- 3.2 Committee is invited, to consider and approve the Finalised Draft Business Support Strategy and, in accordance its previous discussions in February, to refer the strategy to Policy and Resources Committee.

4.0 RECOMMENDATIONS

- 4.1 It is recommended that Committee approves the finalised Draft Business Support Strategy for referral to Policy & Resources Committee.

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Director of Development Services

12th April 2011

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LIST OF BACKGROUND PAPERS

None.