

FALKIRK COUNCIL

Subject: BUSINESS GATEWAY & BUSINESS SUPPORT UPDATE
Meeting: EXECUTIVE
Date: 23 FEBRUARY 2016
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

1.1 This report gives an update on the Council’s business support activity from April 2014 to September 2015 as delivered by the Growth & Investment Unit within Development Services. The report advises members of additional European funding secured to support Falkirk businesses; gives an update on proposed changes in the provision of business loans and provides details on the work taking place in relation to the Task Force established following Scottish Power’s announcement of the closure of its plant at Longannet.

2.0 BACKGROUND

2.1 The Growth & Investment Unit was established in October 2012 and since then the Council’s business support activities, including the Business Gateway Service have been delivered from offices within Falkirk Community Stadium.

2.2 Falkirk Council is the lead local authority for Business Gateway services in Forth Valley with £982,000 per annum of funding made available from Scottish Government to deliver the service . This funding provides support for start-up and growth of businesses within the Falkirk, Stirling, and Clackmannanshire Council areas.

3.0 FALKIRK BUSINESS SUPPORT PERFORMANCE

3.1 A progress report covering the key results of the service from April 2014 to September 2015 is attached to this report (Appendix 1) and is summarised as follows:-

Start-up Businesses

Support Type	April 2014 - March 2015	April 2015 – Sept 2015
Start –Up Businesses*	376	188
Workshops	65	33
Aftercare	414	202

*Of these start-ups, 58 are higher value starts which will go on to achieve a turnover in excess of the VAT threshold (£82,000)

Growth Businesses

Support Type	April 2014-March 2015	April 2015-Sept 2015
Growth Advisory Service	39	20
Growth Pipeline (accepted)	22	8
Direct Relationship Management with SE	4	1
The companies accessing additional support from Scottish Enterprise project a forecast turnover of £55m by year 3.		
Forecast Jobs	547	303
Jobs forecast to be created from this support over the next 3 years		
Business Referrals	330	108
Referrals were made to other support agencies for specialist help with business growth		

Customer Satisfaction Feedback

The Business Gateway National Unit monitors customer satisfaction and respondents to this survey have all made contact with or received support from Business Gateway. The satisfaction levels expressed during this period were as follows:

Customer Satisfaction Feedback	April 2014 – March 2015	April 2015 – June 2015	July 2015 – September 2015
Customers who expressed overall satisfaction	81%	85%	91%

3.2 The Council delivers the following additional activities to new and existing businesses offering advice and support to develop business and create employment:-

- **Supplier Development Programme** - advice, information, and training for businesses to access public sector contracts 140 Falkirk businesses are registered with the programme, with 21 delegates from 7 Falkirk companies accessing training.
- **Social Media and e-commerce** - workshops on social media for business. 42 workshops were delivered and 50 companies accessed support for web audits.
- **HR Advice** - Business Gateway Plus, businesses accessed HR support. In addition an Employer Toolkit was developed in partnership with the Employment Training Unit,
- **Partnership Action for Continuing Employment (PACE)** - This initiative offers support to businesses affected by redundancy situations. Since April 2014, support was provided to 42 companies including Keir Group and Tesco

4.0 LONGANNET TASK FORCE

- 4.1 Scottish Power announced the closure of the Longannet Power Station in March 2015. Following this announcement a task force, involving Scottish Power, local Councils and other agencies was established by the Scottish Government. Longannet is the largest power station in Scotland and the third largest coal fired power station in Europe with a generating capacity of 2,400 megawatts. The closure is anticipated to result in the loss of 260 jobs (c55 in the Falkirk area) with a total reduction of c1000 jobs across the Scottish economy. In response to the announcement the task force initiated actions to offer assistance to employees seeking other job opportunities or retraining. A round table event for supply chain business also took place.
- 4.2 An action plan, identifying a programme of actions to take place involving support for the employees, businesses and communities affected is being prepared for consideration by the Task Force at its next meeting on 29th February. The Council has contributed to this work and is seeking support for interventions which will assist the communities in the Falkirk area that are affected by the announcement. The potential for these interventions to connect with initiatives taking place at Grangemouth in relation to the energy and chemicals sectors has been highlighted in this work. Funding support of £9m is being sought by the local Councils to assist delivery of the action plan and a decision will be made by Scottish Government as to the level of assistance to be provided.

5.0 ERDF - BUSINESS GATEWAY PLUS

- 5.1 As reported to members, in July 2013 the Council was successful in receiving European Regional Development Funding (ERDF) funding of £293,000 to provide additional services to enhance business support in the Falkirk area. Business Gateway Plus (Forth Valley) provided wider, more comprehensive packages of business growth support across the area including *Expert Help* - specialist support to sustain and develop businesses and offer specialist human resource support to businesses. This ERDF programme concluded 30 September 2015. In the Falkirk area the additional support assisted 981 businesses and helped to create a further 195 jobs.
- 5.2 A new ERDF Programme 2015-2018 has been secured, with Falkirk Council acting as the lead authority for Forth Valley to manage a new 5 year programme of Business Gateway Plus activity. Following Scottish Government approval it is intended to commence delivery from March 2016. Indicative allocations have been made to each local authority with Falkirk being awarded an additional £580,000 to be delivered over the next 5 years.
- 5.3 The programme is aimed at encouraging businesses to grow and create jobs. An additional 90 Falkirk companies will be assisted each year with 110 interventions generating additional 115.5 jobs via the following activity:-
- *Expert Help* - up to 3 days of consultancy support in a specialist topic such as strategy development, marketing, ICT, environmental or process improvements or marketing.

- A full time Business Adviser dedicated to supporting businesses which do not meet the growth criteria (increasing turnover of more than £200,000 in 2 years) for acceptance on to the Business Gateway Growth Advisory Service. A health check and action plan will be offered and additional products identified such as Expert Help.
- Growth workshop programme providing training for growing business.

5.4 A strategic application was made timeously and was approved in November 2015 with operational business support detail now being considered by the Scottish Government. Operational approvals have been delayed across Scotland due to Scottish Government and EU control issues and actions are being pursued through national networks to allow approval from Scottish Government as soon as possible.

6.0 FINANCIAL SUPPORT TO BUSINESSES

6.1 Restricted access to finance for businesses can be a barrier to growth. Since October 2012, the Council has promoted a suite of funding products. These were introduced or enhanced as a consequence of efficiencies identified when in-house delivery of business support services commenced. A summary of these is set out below:

6.2 *Small Business Grant Scheme*

	April 2014 – March 2015	April 2015 –Sept 2015
Number of grants	30	12
Amount of funding	81,263	22,872
Private sector investment	156,661	197,101
Additional jobs created	40	25
The scheme targets business with fewer than 10 employees or a turnover of less than £500,000.		

6.3 *BP Business Loan Fund*

The BP Business Loan Fund	April 2014 – March 2015	April 2015-Sept 2015
Number of loans granted	4	0
Total amount of loans	£33500	
Additional jobs	13	
Safeguarded Jobs	48	
This provides unsecured loans of up to £10,000 at 6% interest to anyone considering starting up or growing their own business in the Falkirk Council area. The current balance of the fund is £159,000 with an additional £80,000 due in repayments over up to 5 years.		

As mentioned in the last update to the Executive on 17 March 2015, a new national government business loan scheme has been launched - The Start Up Loan Company (SULCo). Members agreed to a review of the BP Loan Fund, given the similarities between the 2 funds. There have been 2 major changes with the Fund since then.

- First, BP has formally notified Falkirk Council that due to company priorities it does not wish to continue engagement with the loan fund. It transferred its share of the funds to the Council, on the condition that it be used to support SMEs in the Falkirk area.

Secondly, the Financial Conduct Authority (FCA) requires that any organisation wishing to offer regulated loans of under £25,000 to individuals must secure a Consumer Credit Licence (CCL) and operate under a highly regulated regime. Under the previous regime overseen by the Office of Fair Trading, Falkirk Council as a local authority was exempt from this requirement.

Interim permission to lend was granted by the FCA to Falkirk Council to continue offering and managing existing loans until 30 Sept 2015. After extensive consideration, the view has been reached that it is impractical for the Council to obtain a full licence due to the compliance costs and risks. Alternative options were investigated as to how the BP Loan Fund could be offered to businesses within the new regulatory context. While the Council could continue to manage and promote the loan fund to limited companies only; a direct consequence would be exclusion of sole traders who represent 50% of previous applicants.

To enable continued loan support to both limited companies and sole traders, the BP Loan Fund requires to be held and managed by a CCL registered and regulated organisation. Following research only one such body appropriate to conduct this work was identified. DSL Ltd is a community development finance institution (CDFI) based in Glasgow and established in 1993. In addition to operating its own loan fund, DSL Ltd has a client base throughout Scotland and administers funds on behalf of Scottish Enterprise, SULCo and the British Army. By having the BP Loan fund also available in their portfolio, there is a potential benefit to maximise funding packages for Falkirk businesses by considering dual applications from funds simultaneously. DSL has interim permission from the FCA to provide regulated loans, and a full application is pending.

Given the sole available option, an exception to competition has been used to procure the services of DSL Ltd under paragraph 5.8 of Contract Standing Orders, on the following basis:

- i) the name of the BP Loan fund has been changed to the Falkirk Business Loan Fund (The Fund) to reflect the change that BP no longer has any promotional involvement or engagement.
- ii) the existing client portfolio of loans (around 25 cases) to be transferred to DSL together with of an initial sum of £30,000 from the BP Loan Fund balance to DSL Ltd to administer and promote the Fund. The balance of £129,000 remains with the Council and can be applied to the Fund in future years if required.
- iii) a Service Level Agreement has been prepared under which DSL Ltd will be authorised to operate and promote the loan fund instead of Falkirk Council, conducting all future lending administration, assessment of new applications, loan payment monitoring and recovery. Falkirk Council will still promote the loan fund scheme as before but all applicant assessment and approvals will be by DSL.

This arrangement will cost £9,000 in initial setup and £4,130 p.a. thereafter which is considered reasonable. The contract with DSL will be reviewed after a period of one year.

The East of Scotland Investment Fund (ESIF)

6.4 ESIF offers loans of up to £100,000 to new and growing, small and medium sized businesses. The current balance of the fund in Falkirk is £172,123. The loan fund was originally set up with 10 local authorities from the East of Scotland to create a loan fund big enough attract ERDF funding. This ERDF structural funding period has since expired and this fund came to an end in December 2015. The opportunity has been taken to set up a pan Scotland loan fund accessing the new ERDF structural funds from April 2016.

ESIF	April 2014 – March 2015	April 2015 – Sept 2015
Number of Loans Granted	2	0
Additional Jobs Created	14	0
Loan Amount	£100,000	

6.5 ***Business Loans Scotland***

The new pan-Scotland fund will be established to replace ESIF with an anticipated membership of 30 out of 32 possible local authorities. It will be CCL compliant and will have around £15-£16 million to lend over 3 years, made up of 40% ERDF, 30% member contributions and a remaining 30% a bank loan. The fund will operate on a similar basis to the ESIF with member authorities having their contributions ring fenced for their own approval and dispersal in their area. The assets of the ESIF and West of Scotland Loan Fund (WSLF) will transfer over to Business Loans Scotland Ltd. It is proposed that Falkirk Council join the initiative, transferring it’s balance of £172,123 to the new fund.

7.0 COMMUNICATION, PROMOTION & NETWORKING

7.1 In addition to Business Gateway marketing activity, the Council supports the Falkirk Business Panel. A series of communication initiatives and events for local businesses has been delivered over the year including the Business Panel conference, business breakfasts update events and an exhibition - now called Falkirk Business Day. These are supplemented by regular Falkirk Business e-zines, a quarterly newsletter and social media announcements highlighting key business initiatives, opportunities and business resilience support resilience.

7.2 Local business support is being rebranded under the Invest Falkirk and Business Falkirk theme, to include Falkirk Business newsletters, e-zines and a dedicated website. Business support in Falkirk will also be targeted through an improved Business Gateway local page.

8.0 IMPLICATIONS

8.1 ***Policy***

The Council’s support of the local businesses sector is consistent with the Strategic Community Plan and the Councils new economic strategy – *Growth, Investment, Inclusion*, approved by Members December 2015

8.2 *Personnel*

The Growth & Investment unit currently employs a Principal Officer, a Business Engagement officer and 4 Business Adviser posts to deliver business support. Delivery of ERDF funding for the programme 2015-20 requires employment of a Business Adviser and part time Economic Development Officer to manage all ERDF claims across Forth Valley. These positions are 100% funded from ERDF and will be appointed to the team for the period of the programme.

8.3 *Financial*

The £580,000 of external ERDF funding secured over the next 5 years will be matched to existing budgets for delivery of additional Business Gateway services.

8.4 *Legal*

Due to delays in Scottish Government providing approval for the new ERDF business support programme and subsequent advice received from Governance staff, the Council has awarded a 6 month extension to the original Business Gateway core contract awarded in 2012 for Business Gateway services to be delivered in the Clackmannanshire and Stirling areas. Retendering of this contract will commence once the ERDF award has been made.

8.0 CONCLUSION

8.1 The Council's Business Gateway services area critical component of the Council's new *Economic Strategy – Growth, Investment, Inclusion* and are being delivered successfully. The redesigned programme of financial support and provision of additional external ERDF match funding to compliment and expand delivery of its Business Gateway and wider business support activities will help to sustain the quality of services delivered.

9.0 RECOMMENDATIONS

9.1 It is recommended that the Executive:-

- i) Notes the performance of Business Gateway and related business support activities since April 2014;
- ii) Notes the changes to the BP Loan fund as set out in Para 6.3 and the use of an exception to competition under paragraph 5.8 of contract standing orders;
- iii) Notes the conclusion of the East of Scotland Investment fund and agrees to participate in the formation of Business Loans Scotland, transferring its balance of £172,123 over to the new fund;
- iv) Agrees to implement the ERDF Business Gateway Programme for the period 2015-20 when approved including recruitment of two additional members of staff as set out in Para 8.2
- v) Notes the progress of the Longannet Task Force.

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Director of Development Services

Date: 10 February 2016

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LIST OF BACKGROUND PAPERS

1. Business Gateway/Business Support files

Any person wishing to inspect the background papers Pete Reid listed above should telephone 01324 590971.

BUSINESS SUPPORT PROGRESS REPORT

1.0 INTRODUCTION

- 1.1 This report gives an update on the Council's business support activity from April 2014 - September 2015 (18 months) as delivered by the now established Growth & Investment Unit within Development Services.

2.0 BACKGROUND

- 2.1 In June 2012 Falkirk Council agreed to bring business support services in-house with effect from 1 October 2012. In January 2014 the Executive was updated regarding the progress and performance of the business support activities delivered by the Council – The Falkirk Business Panel, the BP Business Loan Fund, the East of Scotland Investment Fund and a range of discretionary business support services including the then newly established Small Business Grant Scheme. Efficiencies generated by the new delivery model enabled the Council to introduce additional business support activity to its business support service.
- 2.2 Since October 2012 business support to the small and medium sized enterprise sector in the Falkirk area including delivery of the new Business Gateway contract has been delivered by the Council's Growth & Investment Unit business support team. This team comprises the Principal Business Support Officer supported by 5 Business Advisors, a Business Engagement Officer and administrative support. The team is located at The Falkirk Stadium and responsible for:-
- i) Delivering Business Gateway services for start up and existing businesses including:-
 - Start-up workshops
 - Business skills training
 - Business advisory service
 - Aftercare services
 - ii) Providing advice and access to funding including:-
 - The BP Loan Fund
 - The new Small Business Grant Scheme
 - The East of Scotland Investment Fund
 - iii) Offering advice to the Council's property tenants and potential tenants.
 - iv) Providing seminars and events in line with the economic climate and to help develop the local economy
 - v) Developing and maintaining professional business services networks.
 - vi) Production of Falkirk Business newsletters and regular update e-zines to Falkirk's business community.

3.0 BUSINESS SUPPORT ACTIVITY & PERFORMANCE

3.1 The business support programmes delivered by Falkirk Council are augmented by the support available through the Business Gateway contract delivered as part of a consortium in the Forth Valley involving STEP (Stirling) and CETERIS (Clackmannanshire). The following support has been provided through the Business Gateway.

3.2 Start-up Businesses

Start-up Service - One to many/ one to one advice and support available to anyone thinking about start up a business. Services are available to clients at all stages of the start-up process from simply thinking about self-employment at some point in the future, starting the planning process or actually started trading. The Council's experienced Business Advisers give advice about business plans, market research, licenses, legal entities, funding, taking on employees, property etc.

Higher Value starts - Some businesses may never employ staff or take on premises but will provide an income similar to that of a paid job. These types of start-ups may only require limited support from a start-up adviser whereas those businesses which trade at around the VAT threshold (82,000) or employ staff can be more complex and therefore require specific support and guidance. An enhanced level of service is available to these start-ups and the Business Adviser works more intensively with them to prepare an action plan and identify additional help which is available.

Start-up Workshops - To help people think about starting a business there are key workshops covering the main topics to consider. Lasting 3 hours these are regularly promoted and run every month at Falkirk Stadium and alternate between day time and evening sessions.

Aftercare - Once a business has officially started clients can obtain advice and support from the Business Adviser for a further 3 years. Planned telephone and email follow up of start-ups occurs at the 6, 12 and 18 month stage and the offer of follow up assistance and support is sustained.

3.3 Existing Businesses

Although Business Gateway is best known for helping start ups, it is important to stress that half of the resources are targeted at existing businesses. There is a wide range of support from the Growth Advisers on all aspects of running a business from funding and strategy to exporting and accessing new markets.

The service is particularly interested in supporting those businesses which have the ambition and capability to grow and create jobs. Business Advisers work on a one to one basis with clients in this category to develop action plans for growth which identifies support required to achieve this. The support may come from within Business Gateway resources or may involve accessing external products from other business support agencies such as Scottish Enterprise or Scottish Development International.

Growth Advisory Service - Businesses which anticipate growing their turnover by £200k over 18 months access more intensive support, known as Growth Advisory Service. Areas for support include strategy development, innovation, funding, financial readiness, procurement, market development HR, ecommerce, or premises.

Growth Pipeline - Businesses which anticipate growing their turnover by £400K in next 18 months access a service known as Growth Pipeline. These clients receive a more intense level of support as they have the potential to go on and grow more significantly. These clients can access the specialist support available to Scottish Enterprise account managed companies at a subsidised rate as it is anticipated some may go on to meet the criteria to be accepted by Scottish Enterprise for account management.

Direct Relationship Management (Account Management) Businesses which anticipate growing their turnover by more than £1m over 3 years. These clients are referred to Scottish Enterprise for the Account Management Service and are allocated a dedicated Account Manager who will work with the company to access Scottish Enterprise Products.

The number of companies accepted on to DRM with Scottish Enterprise is 5 with a forecasted increase in turnover of £20,282,600 over 3 years.

The total number of jobs forecast to be created over 3 years by businesses supported on Growth Advisory Service and then on to Growth pipeline, and then DRM is 940

Specialist Help - Part of Business Gateway is referring businesses to other support agencies for specialist help. These organisations can include Scottish Enterprise, SDI, Scottish Agricultural College, Scottish Government, Smart Exporter, PTYBS, Business Mentoring Program, Adopt an Intern and other organisations.

3.4 Business Gateway Communication

All Business Gateway support to local companies is communicated via the Business Gateway National Marketing Unit, Falkirk Council has the opportunity to input local marketing via:-

Advertising in the Falkirk Herald or use of local radio stations. Regular campaigns focusing on start up or growth have been run over several weeks involving national media, online digital presence and outdoor activities such as buses or railway station posters.

Business Gateway leaflets and guides distributed to key Council public buildings and other services across the district.

Business Gateway e-zine and website www.bgateway.com which offers a positive resource providing information on start-up and growth services, training, information and referrals to other organisations.

Falkirk Council has a local page - <http://www.bgateway.com/local-offices/falkirk> providing information on our local offices, workshops, events, funding and local support.

Business Gateway has an App for its services which was launched in 2014.

The key results for the service are summarized below:

Start Up Businesses	April 2014- March 2015	April 2015 – Sept2015
Businesses Assisted	376	188
Forecast Jobs	780	414
Business types suggested include retail, professional services, personal services, and traditional trades		
Higher Value Starts	April 2014 – March 2015	April 2015 – Sept2015
Higher Value Start Up Businesses	39	19
Forecast Jobs Attributed to Higher Value starts	157	77
Start- up Workshops	April 2014 – March 2015	April 2015 – Sept 2015
Number of Workshops	65	33
Number attendees	157	97
Aftercare	April 2014-March 2015	April 2015-Sept2015
Number Businesses	414	202
Growth Advisory Services	April 2014 – March 2015	April 2015- Sept2015
Number Companies Accepted	39	20
Anticipated Increased Turnover	51,106,000	26,328,000
Growth Workshops	April 2014-March 2015	April 2015- Sept 2015
Workshops	35	18
Attendees	245	114
Growth Pipeline	April 2014 – March 2015	April 2015 – Sept 2015
Number of acceptances	22	8
Products Accessed	122	33
Anticipated increased Turnover	40,173257	14,858,602
Direct relationship Management	April 2014 – March 2015	April 2015 – Sept 2015
DRM	4	1
Turnover	12, 980,940	5,000,000
Specialist Help	April 2014 – March 2015	April 2015 – Sept 2015
Number of Referrals	330	108

Customer Satisfaction Feedback	April 2014 – March 2015	April 2015 – June 2015	July 2015 – September 2015
Customers who expressed overall satisfaction	81%	85%	91%
Customers who believed that their expectations had been met	77%	89%	78%
Customers who believed that the service was a benefit to their business	84%	90%	83%
Customers who expressed overall satisfaction in face to face contact	83%	100%	100%
Customers who expressed an	85%	100%	82%

overall satisfaction with a Business Adviser			
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4.0 SPECIALIST CONSULTANCY ADVICE FOR BUSINESSES

Out with the Business Gateway service the Council provides additional support to the SME sector. The following additional support has been successfully promoted.

- 4.1 Business Gateway Plus (Forth Valley): In July 2013 Falkirk Council secured additional ERDF funding of £293,000 to provide additional services which are designed to enhance the basic Growth Advisory service. The Business Gateway Plus (Forth Valley) project enables Business Gateway Forth Valley to provide a wider, more comprehensive package of business growth support across the area. The current Business Gateway model limits the provision of specialist one to one support to businesses with the potential to grow turnover of around £200K. The ERDF enabled the provision of additional specialist support to this client group. Following the successful award of ERDF, Business Gateway Plus, provides additional business support over and above that provided through the Business Gateway contract as follows:-

Expert Help allows businesses to access support from a specialist to sustain and develop their business. The support is up to 3 days consultancy advice from experienced, qualified professional experts from a wide range of sectors and industry backgrounds. The support can be used to assist with marketing, sales, procurement, strategy, organisational development, e-commerce or IT. The support is aimed at businesses with fewer than 50 staff who are aiming to grow their sales by around £200k in the next 2 years.

HR Advice and support; The Federation of Small Businesses identified in their report 'Micros Untapped' that many small businesses had aspirations to employ more staff but didn't have the knowledge and confidence to do this. As a direct response to this an HR Advice service was launched to support businesses that are taking on new employees with practical support such as contracts of employment and employee handbooks.

- 4.2 Supplier Development Programme: In addition to providing support to the above activities, Falkirk Council has committed to supporting and delivering the Supplier Development Programme. The Programme operates across twenty six local authority areas in Scotland delivering a range of specialist business support activities including the provision of advice, information, and training with the aim of assisting businesses to become more capable of accessing and competing for public sector contracts. events are being delivered on topics such as Is the Public Sector for You? , Find It Win It Keep It and Public Contracts Scotland. 103 businesses within the Falkirk area are registered with the programme with 16 local business attending events over the last year including several companies who secured Commonwealth Games contracts.

Supplier Development Programme	April 2014 – March 2015	April 2015 – September
Webinars	18 Companies	8 Companies
Events Forth Valley	9 Events	3 Events

- 4.3 Social Media and e-commerce - In addition to the Business Gateway programme of training outlined above, Falkirk Council delivered workshops on social media covering Twitter, You Tube, Linked In and Facebook for business use. These popular free events were delivered by specialist trainers at the Stadium and run for half day and full day depending on the programme. From April 2014 – September 2015 42 social media training events took place with 318 attendees.
- 4.4 Web Audits: Where a business has a website but feels it is not delivering growth results, Falkirk Council provides resources and dedicated support to enable a web audit to be undertaken. This will identify how the site is performing and provide the business with a list of actions which can be implemented in order to secure improvements. From April 14 – September 15 50 Audits were completed.
- 4.5 Falkirk Council's 'Guide to Successful Retailing' workshops are a series of retail specific training courses which aim to improve the survival rates of small to medium sized retail businesses in the area. The courses have been developed to specifically meet the needs of those running a retail business and provide business owners with practical advice and support to assess their current business practices, identify improvements and with support, develop a plan that will help to take the business to the next level. Delivered in bite-sized chunks, the courses cover the key elements required for a successful business: Business Planning and Finance, Driving Sales and Buying and Merchandising. During the period April 14 – September 15 two Guide to Successful Retailing courses ran with 14 retailers attending.

5.0 FINANCIAL SUPPORT TO BUSINESSES

- 5.1 Falkirk Council recognises that access to finance for businesses can be a barrier to growth and since 1st October 2013 has promoted a suite of funding products.
- 5.2 The Small Business Grant Scheme was introduced by Falkirk Council on 1 October 2012 and is one of the ways in which Falkirk Council can help businesses invest for growth. The scheme is aimed at small businesses in the Falkirk area which need some support to undertake viable growth projects. The type of project expenditure eligible for a grant can include investment in business premises, machinery, equipment, systems, technology, innovation and market development. The maximum grant is 50% of the value of the project up to a maximum grant of £3000. Due to the level of demand the budget for 2014/15 was increased to £85,000. To target grant support most effectively and ensure that only projects that could really demonstrate the need for assistance, the eligibility criteria was amended to business with fewer than 10 employees or a turnover of less than £500,000
- 5.3 The BP Business Loan Fund provides unsecured loans of up to £10,000 to anyone considering starting up or growing their own business in the Falkirk Council area and cannot secure all of the required funds from other sources. BP Business Loans are awarded to applicants who can demonstrate an aspiration to grow or expand thereby creating jobs, identify opportunity in terms of markets and products, demonstrate capability in terms of skills and resources and a need for funding. All loans are on a discretionary basis, and the maximum amount is £10,000. The interest rate is 6% and can be repaid over 3 years. Some of the start-up companies assisted include a concrete mixing delivery business, a children's nursery, a beauty salon and a food and drink retail outlet. The current balance of the fund is c£159,000 with approx. £80,000 of loan funds due to be repaid.

The UK Government established a start up loan fund in Scotland in early 2014. This fund is available to help people start up in business by providing loan finance of up to £10,000 at an interest rate of 6%. Borrowers have to demonstrate they have been unsuccessful in securing bank funding – similar to the BP Loan, but can also benefit from a more competitive criteria with interest only repayment for the first year. From April 14 – September 15 one loan of £10,000 was accessed by a Falkirk client.

Given the similarities between this fund and the BP Loan fund it was proposed to continue running the two loan funds in parallel for a period of a year. This would allow the new loan fund to embed within Business Gateway suite of services and enable demand to be monitored for both funds. The overall demand for the SULCO loan was far less than anticipated and it did not have an impact on the BP Loan Fund. Thoughts are that the application procedure is quite an onerous an online process with more eligibility criteria and a lengthier process than the BP Loan Fund. A handful of clients were referred to the fund but only 1 made a successful application.. Business Gateway network is no longer actively involved in the application process and the fund is now managed entirely by an external body - DSL in Glasgow -to which we can make client referrals.

- 5.4 The East of Scotland Investment Fund (ESIF) offers loans of up to £100,000 to new and growing, small and medium sized businesses. The aim of this larger fund is to ensure that good, commercially viable proposals do not fail from a lack of access to finance and to encourage and support the creation, development and growth of businesses within Falkirk area. ESIF as a public sector owned fund can provide between 50-75% of the funding package required to help start up and grow businesses with the balance of the funding package provided by the private sector, usually from the owners, directors and the bank. The maximum repayment period is 60 months and the interest rate is 6%. The current balance of the funds available in Falkirk is £172,123.

Loans were awarded to MP Locums – a business supplying locums to NHS in Scotland and England, and Macloch Contracts, a specialized steel fabrication company involved in large construction projects throughout Scotland.

The balance of funds in the ESIF budget is £172,123. The ESIF will cease to operate in Dec 15 and loan balances will transfer over to the newly Formed Business Loans Scotland Ltd. A fund set up to attract ERDF monies with the majority of Local authorities participating in the scheme.

Small Business Grant Scheme	April 2014 – March 2015	April 2015 – Sept 2015
Number of Grants	30	12
Total Value	81,263	22,872
Private Sector Investment	156,661	197,101
Additional Jobs Created	40	25
BP Loan Fund	April 2014 – March 2015	April 2015 – Sept 2015
Number of Loans	4	0
Total Funding awarded	33500	0
Secured Jobs	13	0
Additional Jobs	48	0
ESIF	April 2014 – March 2015	April 2015 – Sept 2015
Number of Loans	2	0
Number of Jobs Created	14	0
Amount of loan awarded	100,000	0

6.0 FALKIRK AREA BUSINESS SUPPORT PROMOTION, NETWORKING & COMMUNICATON

In addition to the delivery of business support activities and national Business Gateway communications, a number of promotional social media and events activities within the structure of the Falkirk Business Panel have been delivered by the Growth & Investment Unit:-

Falkirk Annual Conferences	April 2014 – March 2015	April 2015 – Sept 2015
Number of Events	1	1
Number of Attendees	203	128
Falkirk Business Panel Update Events	April 2014 – March 2015	April 2015 – Sept 2015
Number of Events	2	0
Number of Attendees	193	
Falkirk Business Exhibition	April 2014 – March 2015	April 2015 – Sept 2015
Number of Events	1	1
Number of Exhibitors	53	41
Number of Visitors	361	309
Business Breakfasts	April 2014 – March 2015	April 2015 – Sept 2015
Number of Attendees		45
Logistics and Transportation		1
Number of Attendees		23
Chemical Sciences		1
Number of Attendees		45
New Energy		1
Number of Attendees	38	
Food & Drink	1	
Number of Attendees	19	
Engineering Opportunities	1	

- A recently introduced a monthly Visit Falkirk e-zine which 150 tourism related businesses subscribe to.
- Monthly Falkirk Business E-zine is sent to 3,170 subscribers.
- Business Falkirk newsletter is now being produced twice a year with an electronic version sent out to the 3170 and all Falkirk council properties and partner organizations.
- Social Media Communication including Business pages on www.falkirk.gov.uk being updated in advance of roll out of new Council website; undergoing comprehensive overhaul of content;
- www.twitter.com/falkirkbiz now established as an additional channel to engage with the business community – grown from zero to 1145 followers since June 2013.
- My Futures in Falkirk LinkedIn Group, increased membership to 750 members with daily active discussions on business topics, events and announcements.
- Quarterly tourism networking events being held – inaugural meeting at Helix Visitor Centre in Nov 14. Over 45 businesses attending.
- Promotion of Procurement Clinics with the Purchasing Service of Falkirk Council .
(7 clinics with 22 consultations)

7.0 CONCLUSION

- 7.1 The Growth & Investment Unit has now established itself as the key hub and one stop shop for Business support in Falkirk. It has been successful in securing and delivering new programmes and products on behalf of partner organisations like SE for Falkirk businesses (for example the Broadband Voucher Scheme and The Digital Voucher Scheme), in addition to delivering a significant range of Business Gateway and Falkirk Council support. Joint working with other Council services such as Planning, ETU, environmental health and trading standards has also been achieved to the benefit of local businesses.