

(MFIF branded following approval)

Falkirk Business Support Strategy

Finalised Draft - April 2011

Introduction

Business is at the heart of the Falkirk area. It has a well developed business base and a dynamic local economy which supports its growing population.

This Business Support Strategy forms part of the area's economic development initiative, *My Future's in Falkirk*. This was updated in 2010 to identify the strategic drivers of future growth in a changing economic landscape. Business Support is one of these key drivers.

The Council has developed the Business Support Strategy in close consultation with businesses and partner organisations. This has endorsed the Council's approach and refined the actions proposed.

The strategy is intended to set direction for business support services, help engage the local business community and sets out a series of Business Support priorities to which resources will be directed.

Objectives

My Future's in Falkirk aims to create the ideal environment for business. The wealth and prosperity of the Falkirk area depends on attracting investment, growing the business base and maximising job opportunities available locally. With this in mind, the objectives of the Business Strategy are:-

- to help people set up new businesses in the Falkirk area
- to help existing Falkirk businesses to grow and reach their potential
- to help existing businesses to be resilient to changing economic circumstances
- to help attract businesses to relocate in the Falkirk area
- to provide jobs and local incomes

Challenges and Opportunities

The Falkirk Business Support Strategy needs to address the economic landscape resulting from the longest and deepest recession since the 1930s. This landscape is likely to feature:-

- slow economic recovery and growth, especially in domestic consumer expenditure
- declining public sector spending
- strong competition for business investment

- growth in output that appears to be ‘jobless’ for a while

Critically, the start-up rate and the total number of businesses in the Falkirk area is below the Scottish average. While this is balanced by having an above average number of medium and large businesses, a healthy businesses birth rate is needed to maintain and enhance the business base.

Another challenge comes from possible changes to business support resources or policies at government level arising from political or economic pressures. The prospects for renewal of the Business Gateway contract in 2012 present uncertainty for the model of services that can be supported. The introduction of the Work Programme will also create pressures for start-up support for unemployed people.

Local companies seek advice on the support available from government, particularly in accessing finance, creating employment, promoting skills and in contracting with government bodies.

While these challenges are evident, Falkirk businesses should also be able to take advantage of many strengths and opportunities, including:-

- the Falkirk economy has strong manufacturing and ‘business-to business’ sectors, reducing its dependence on domestic consumer expenditure
- as such, many businesses are in a position to export and take advantage of opportunities in fast growing parts of the world
- the area’s central location and easy access to suppliers and markets gives local businesses an advantage
- the regeneration of area’s town centres is enhancing their attractiveness and appeal
- the area’s skills base offers potential for company growth in key sectors such as chemicals, food & drink and tourism
- growth in the area’s population is expected to continue

In their report “Prospects for the Scottish Economy 2011-2014”, Mackay Consultants forecast that the Falkirk economy will show average annual growth of +2.38% in the four years to 2014, ranking Falkirk 7th highest of Scotland’s 32 council areas.

Resources and Delivery

The Council’s core budget for Business Support is limited, being principally:-

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| ▪ Business Gateway | £ 300,000 |
| ▪ Business Engagement and Growth | £ 200,000 |

Falkirk for Business delivers these core services under the Business Gateway contract and a Joint Working Agreement with Falkirk Council. In addition, a range of other business support services is provided by the Council and other organisations, including:-

- the provision of business property, suited to the range of business requirements, from start-up to mature business
- employment & training advice and support

- financial support via the BP Loan Fund and the East of Scotland Investment Fund
- planning, infrastructure and services enhancing environmental quality
- other regulatory services

Bodies such as Scottish Enterprise, Scottish Development International and initiatives such as the Supplier Development Programme, Smart Exporter play a key role in supporting growing companies in key sectors and assisting them to target new markets, in the UK or overseas.

Other agencies such as Forth Valley College, Skills Development Scotland and Jobcentreplus assist in meeting the skill requirements of growing businesses while the education sector must continue to promote enterprise amongst young people.

Outcomes

The strategy aims to increase the enterprise base, growing business activity and boost employment in the Falkirk area.

It is intended that the following Outcomes will be monitored on an annual basis:-

- The birth rate of businesses in Falkirk per 1000 working population (cf. Scotland)
- The number of active business enterprises in Falkirk per 1000 working population (cf. Scotland)
- The number of business start-ups assisted through Business Support activity
- The number of jobs created in businesses assisted through Business Support

Business Support Priorities

The priorities and main activities to be taken forward through the Business Support Strategy are set out below. These actions will be taken forward by the Council through its Joint Working Agreement with Falkirk for Business, re-commissioning of Business Gateway services and liaison with other partners.

| Business Support Priorities | Activities |
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| Support for new business start-ups | <p>Increasing the business birth rate remains a key priority. Businesses appear to have a relatively high satisfaction rate with existing services.</p> <p>These will continue to be delivered and enhanced through the following:-</p> <ul style="list-style-type: none"> ▪ ‘one-to-many’ support activities, including help with Business Planning ▪ ‘one-to-one’ support activities, as budgets permit ▪ aftercare support for companies assisted ▪ providing inspiration and examples of success to pre-start individuals (including schoolchildren) ▪ creating links between schools and the business community ▪ maximising the local impact of new initiatives such as the Work Programme and New Enterprise Allowance Scheme ▪ preparing for recommissioning of Business Gateway services for the Forth Valley ▪ input to the Government Business Portal development |
| Business Networking | <p>Businesses attach a high level of importance to networking and have a relatively high level of satisfaction with existing networking facilities.</p> <p>The Falkirk Business Panel has created an effective business network for many and will continue to do so, while at the same time seeking to bring in extra income to help defray its costs. Actions to support networking will include:-</p> <ul style="list-style-type: none"> ▪ promoting membership of Business Panel + ▪ encourage more opportunities for networking, including links with activities in other areas ▪ launching ‘In Commerce’ magazine ▪ promoting e-networking using social media ▪ developing networking skills among businesses ▪ promoting other networking associations |
| Business Mentoring | <p>The capacity to create a local business mentoring network will be explored with Falkirk for Business, Business Mentoring Scotland</p> |

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| | and other organisations – e.g. PSYBT |
| Business Finance | <p>Since the recession, many businesses have found it much more difficult to get bank and other funding.</p> <p>The Council and other agencies will help provide funding and help businesses access funding through:-</p> <ul style="list-style-type: none"> ▪ the BP Loan Fund ▪ the East of Scotland Investment Fund ▪ the Scottish Investment Bank ▪ helping businesses access government investment and innovation grants and other assistance ▪ liaison with banks and other intermediaries to improve their understanding of local business potential and their capacity to help businesses |
| Management Training to support growing businesses | <p>The skills of owners and managers of businesses are key determining factors of business growth and success.</p> <p>Falkirk for Business will provide training and other mechanisms to enhance business leadership and management skills and knowledge in areas such as:-</p> <ul style="list-style-type: none"> ▪ Marketing – growing businesses need to expand their customer base; the recession and its consequences have created challenges which mean many businesses need to revise their marketing strategy ▪ Exporting – this is likely to become an increasingly important for businesses as new opportunities arise in fast growing economies overseas. ▪ Public sector contracts – this area is seen as important but businesses often lack the knowledge to tender successfully; the Supplier Development Programme will continue to help local businesses understand how to bid for public sector contracts ▪ Recruitment – businesses are often apprehensive about recruitment, selection and the implications of employment legislation ▪ E-commerce – Falkirk for Business will continue to run a European-funded e-commerce project for SMEs ▪ Environmental awareness and resource efficiency – development of a programme to increase awareness and exploit opportunities in the green economy <p>Through the above activities, businesses with high growth potential will be helped to access Scottish Enterprise products.</p> |
| Employee Skills and Training | <p>Businesses need employees with the right skills, and need to know where to source training when required. Support in these areas will be enhanced through:-</p> |

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| | <ul style="list-style-type: none"> ▪ engaging businesses in the <i>Backing Falkirk's Future</i> programme and other employability related activities ▪ providing businesses with information on employment, training and support opportunities, and improving liaison between employers and training providers ▪ improving the work-readiness of young people through My Future's in Falkirk and other programmes |
| Provision of Business Property | <p>The Council maintains a substantial business property portfolio. To help support the area's economic development and meet the needs of as many businesses as possible, the Council will:-</p> <ul style="list-style-type: none"> ▪ continue to provide units suitable for start-up and small businesses on flexible terms to meet their needs ▪ implement its Portfolio Management Plan which allows it to develop new properties needed to meet demand by disposing of other properties ▪ improve the supply of information on properties available |
| Links to Other Services | <p>Development of a business friendly environment in Falkirk by:-</p> <ul style="list-style-type: none"> ▪ providing guidance to business on Council and other government services ▪ enhancing the response to business requests for advice and assistance ▪ promoting opportunities for green business and "trusted traders" ▪ developing a 'One-Stop Shop' approach to business support activities |