

**FALKIRK COUNCIL**

**DEVELOPMENT SERVICES**

**ECONOMIC DEVELOPMENT AND ENVIRONMENTAL  
SERVICES DIVISION**

**DRAFT OPERATING PLAN 2012/13**  
**for**

**GROWTH AND INVESTMENT UNIT**

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## SECTION 1: INTRODUCTION

This draft operating plan is based on services currently delivered by the Strategic Projects Unit of Falkirk Council's Development Services and a range of services which are funded by Falkirk Council and currently delivered externally by Falkirk for Business.

The operating plan has been drafted to show how the externally-delivered services could be merged with the work of an existing Unit within Falkirk Council to create an expanded Unit.

The externally-delivered services are

- (i) Business Gateway and
- (ii) other business support provided under Falkirk Council's Joint Working Agreement with Falkirk for Business, including Falkirk Business Panel activities.

The new Unit would integrate these activities with Falkirk Council's in-house economic development services.

### **Purpose - Economic Growth**

The overall purpose of the integrated unit would be to help stimulate economic growth. After four years of recession or near stagnation nationally, and with uncertainty in the Euro zone affecting the economic outlook, the need to align local resources for maximum economic development impact could hardly be greater.

The Falkirk area has potential for growth in key national priorities such as chemical sciences, manufacturing and tourism and Falkirk Council is now investing in infrastructure to create a platform for growth in these areas. More generally, a healthy rate of new business formation and ambitious existing businesses are both essential for economic recovery. Growth comes from the roots, often from very small businesses, and Falkirk Council wants to help more businesses set-up, survive and grow.

Reflecting these priorities, the new unit would be called the **Growth and Investment Unit**.

It would be one of 4 units comprising the Economic Development and Environmental Services Division of Development Services. The other three Units are:

- Asset Management (including business land and property)
- Employment and Training
- Environmental Health and Trading Standards

All units provide services for businesses.

### **Objectives**

The primary objectives of the Growth and Investment Unit are:

- Through a series of strategic place initiatives, to enhance the Falkirk area as a place for business
- To help create new business start-ups and grow existing businesses
- To promote the economic strategy for the area, attract new business investment and develop key sectors
- Through adopting an in-house approach and increased customer focus, to ensure the Council get its services bring right for business

In these ways the Unit will help create a modern fit-for-purpose business environment, enhance economic resilience and help position the economy to take advantage of emerging opportunities.

### **Getting it Right for Business**

Businesses create jobs and wealth in the local economy. The Growth and Investment Unit will be about *getting it right for business*. This means helping to ensure that businesses in Falkirk can access support from these and other Council services effectively.

The extent to which Falkirk's businesses access services from the Council is illustrated in the examples below:

- 497 business tenants rent Council property
- The Council's trade waste service has over 880 business customers
- Over 2,200 businesses are registered for food / workplace safety inspection
- 618 businesses have signed the *Backing Falkirk's Future* pledge

These activities have a key role to play in ensuring that Falkirk is an excellent place to do business.

The Council manages its activities in accordance with its requirement to demonstrate Best Value and is implementing *Reflect*, its approach to the Public Sector Improvement Framework.

## **SECTION 2: RESOURCES**

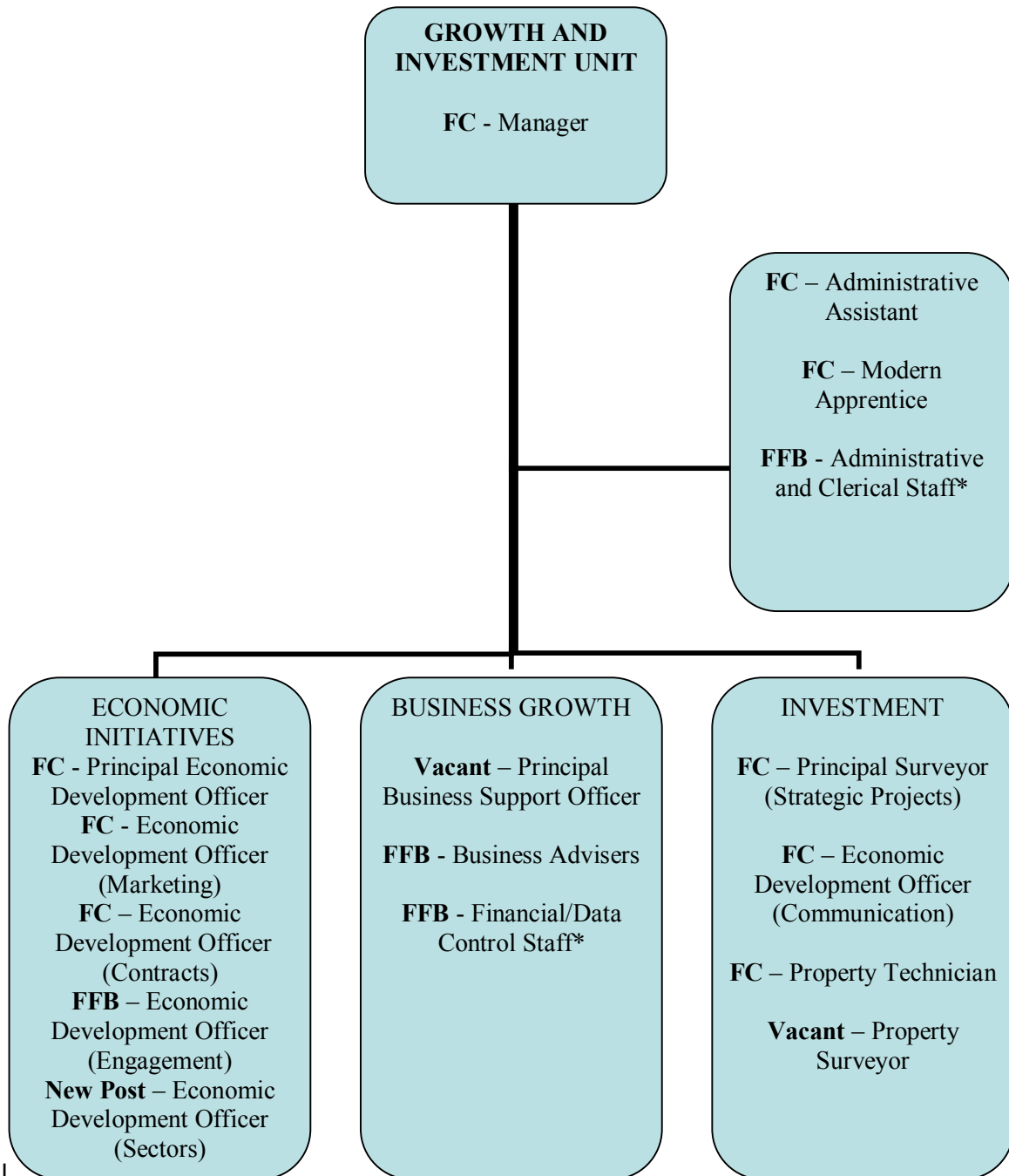
### **Who We Are**

The Growth and Investment Unit structure would comprise personnel from Falkirk Council's existing Strategic Projects Unit and from Falkirk for Business. The diagram below shows the proposed posts and management structure.

The structure makes provision for the transfer of all Falkirk for Business staff (those appointed to permanent posts before 31<sup>st</sup> March 2012 and still in post) to the Council. Until full consultation takes place, the staff of the new Unit have been identified only by their current employer (FC or FFB) and not by name.

The exact position of posts within the structure would be part of the consultation with staff and it should also be noted that, as some Falkirk for Business activities are delivered by contractors, the options for maintaining service delivery and contractor involvement will be given full consideration.

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\* There will be consultation on which FFB Administrative, Clerical and Financial / Data Control staff should work within the Business Growth or other sections and which should support the Unit overall.

As part of Falkirk Council's economic development service, the Growth and Investment Unit would be accountable to the Economic Strategy and Development Committee (Convener – Councillor Dennis Goldie, Vice Convener - Councillor Linda Gow).

As part of the restructuring of business support, a new Economic Partnership is proposed, with high level involvement of businesses, Falkirk Council and other stakeholders. The Growth and Investment Unit would have a key role in creating and sustaining this partnership.

## **Budget**

The Unit's budget would consist of the current Strategic Projects Unit budget added to the budgets for (i) Business Gateway, (ii) the current Joint Working Agreement with Falkirk for Business and (iii) other business support projects.

The Strategic Projects budget in 2012/13 is £815,000.

As lead authority for Business Gateway in Forth Valley, Falkirk Council receives £880,000 plus a management fee of £80,000 from the Scottish Government to deliver the service. £500,000 has been allocated to commission Business Gateway services for Stirling and Clackmannanshire via an external contract, leaving a balance of £380,000 for expenditure on Business Gateway services in Falkirk. This represents £57,000 of additional funds.

The 2012/13 Joint Working Agreement budget is £232,000.

The Council also has a business support projects budget of £11,000

In addition to its Council-funded activities, Falkirk for Business generates some additional income from other activities. At this stage it is not known if it would want to pass any of these activities to the Council therefore they have been not been included in the budget calculations.

In summary, the new Growth and Investment Unit would have a budget of **£1.52** million. (This includes the management of the overall Forth Valley Business Gateway service but excludes £500,000 allocated to deliver Business Gateway in Stirling and Clackmannanshire.)

Within the new Growth and Investment Unit, **the Business Growth section would have a budget of £612,000 (£380,000 for Business Gateway and £232,000 from the Joint Working agreement).**

## **Premises**

It is important that the Growth and Investment Unit maintains a visible and accessible presence for its customers. To this end it is intended to develop the Unit's presence at the Falkirk Stadium. This works effectively as a base for business meetings and events and it is intended to enhance the access to services from the Council from this base.

Falkirk Council's Strategic Projects Unit is currently located on the first floor of The Falkirk Stadium and is expected to move to a unit on the second floor if this unit becomes available.

Falkirk for Business is located in a separate unit on the second floor of The Falkirk Stadium. Falkirk for Business holds a lease and, subject to consultation, Falkirk Council would propose to take over the lease for these premises.

The integrated Growth and Investment Unit would then be housed in two adjacent units on the second floor of The Falkirk Stadium.

### SECTION 3: WHAT WE DO

The proposed functions of the Growth and Investment Unit are:

ECONOMIC INITIATIVES	BUSINESS GROWTH	INVESTMENT
<ul style="list-style-type: none"><li>• Lead on Economic Strategy</li><li>• Marketing</li><li>• Tourism</li><li>• Business Gateway contract management</li><li>• Business Engagement and liaison with other Council services</li><li>• Key sector development</li></ul>	<ul style="list-style-type: none"><li>• Business Gateway</li><li>• Other locally funded business support</li><li>• Loans and Grants</li><li>• European Business Support Programme</li><li>• Liaison with Scottish Enterprise account management</li></ul>	<ul style="list-style-type: none"><li>• Regeneration and Placemaking (including Town Centres)</li><li>• Town Centre property portfolio management</li><li>• Town Centre / BID management</li><li>• Tax Increment Finance Initiative and business investment</li></ul>

As already noted, the new Growth and Investment Unit merges the functions of Falkirk Council's Strategic Projects Unit and those of Falkirk for Business. Although the key functions are organised under three headings, the integration of these functions in one Unit, with staff working together across a range of interrelated functions, is one of the key benefits seen to arise from the creation of the new Unit.

Furthermore, the new Unit would sit within Development Services and work closely with other Units providing services which are crucial to businesses and the economy, such as:

- Employment and Training - helping people gain skills and experience for jobs
- Asset Management – providing property for businesses
- Environmental Services – trading standards, waste, food safety and environmental health
- Planning & Environment – development policy and environmental quality
- Development Management – planning applications
- Building standards – building warrants
- Transport Planning – transport policy and public transport
- Roads – roads design and management

The integration of business support services within Development Services will enable business customers to find a more comprehensive range of services within one organisation. It will also enable the Council to provide a more effective service for businesses as it will be better able to cross-refer enquiries and manage service provision where businesses could benefit from a range of Council services.

The integration of business support in the Council will help strengthen the Council's focus on business and will provide a further impetus for all business-facing services to work towards sustainable growth in the local economy.

#### **Operational Efficiencies and Additional Activities**

The merger of services within the Council has significant potential for savings based on economies of scale, including savings in management and administrative costs.

It has already been noted that there will be no cut in the number of permanent employees in post. Permanent staff of Falkirk for Business will be able to transfer to the Council as indicated. The operating plan makes provision for 9 posts. It is also affirmed that there is no intention to cut the Council's overall budget for economic development and that all operational savings achieved through the merger will be ploughed back into additional services for business and economic development.

It is expected that the new Unit would be able to run an enhanced level of service at lower costs, with approximately £140,000 for the provision of additional services. This sum will come not only from operational synergies / efficiencies but from an enhanced allocation of £380,000 for Falkirk from the Forth Valley Business Gateway budget if the service comes in-house.

Additional resources will be used to generate additional economic development outputs. Some of these outputs will arise from the introduction of a new and additional services and activities such as:

- A business development grant scheme for small businesses – this would be aimed principally at small businesses / recent starts which are investing in their future growth. A budget of £50,000 p.a. would be allocated initially, though this could be extended if operational efficiencies yield greater savings.
- An additional economic development officer post at a gross cost of £42,000 would be established to add to the Unit's capacity to take forward projects based on key and emerging opportunities and sectors.
- Delivery of sectoral initiatives, £48,000. These would likely include work in sectors such as the green economy (renewables, recycling etc), tourism, retail, promoting social enterprise, innovation, international connections and global markets.
- It is anticipated that the new Growth and Investment Unit will be able to act as a hub for business development issues and will work closely with other colleagues in Development Services and the rest of the Council to provide a joined-up service for businesses – in short *getting it right for business*. The Unit's premises in the Falkirk Stadium would be a point of entry to a range of Council services.

An action plan is appended to this document (see **Annex A – Operating Plan – Key Actions**)

**SECTION 4: PERFORMANCE INDICATORS AND OUTPUTS**

## Business Growth Team Targets

<b>Activity</b>	<b>Actual 2011/12</b>	<b>Targets 2012/13</b>
<b>Jobs Created</b>	501	750
<b>Start Up Businesses</b>	345	375
<b>Aftercare</b>	327 includes part previous year)	350
<b>Companies supported to VAT/PAYE level</b>	54 (VAT Level only)	80 (VAT/PAYE Level)
<b>Companies supported onto high growth Local / Growth Pipeline</b>	16	20
<b>Clients progressed to SE Account management</b>	5	6
<b>Business Panel Members</b>	2000 +	2000 +
<b>Business Panel Plus Members</b>	75	100
<b>SE Growth Products accessed</b>	18	25
<b>Growth Clients accessing specialist support from partner agencies</b>	23	30

**GROWTH AND INVESTMENT UNIT  
Operating Plan – Key Actions**

The activities of the Growth and Investment Unit will help take forward the Falkirk Council's Goals, Objectives and Values and help implement the Corporate Plan.

**Goals**

The activities of the Growth and Investment Unit will help achieve the Council's Corporate Goals, in particular:

- *Further developing a thriving, sustainable and vibrant economy*
- *Enhancing and sustaining the environment in which people want to live, work and visit.*

**Objectives**

The activities of the Economic Initiatives section will make a significant contribution to the Corporate Plan objectives, in particular:

- *Ensuring that the Falkirk Area will be recognised as having a culture and ethos of aspiration and ambition.*
- *Increasing the wealth and prosperity of our area.*
- *Ensuring our profile will reflect our area as a destination of choice.*
- *Ensuring the quality of our infrastructure helps promote the growth of the local economy*
- *Improving the Built Environment*
- *Creating a profile which reflects our area as a destination of choice.*

**Values**

The Council's key values of Public Service, Performance and Partnership will be demonstrated in the way the Growth and Investment Unit works and will help the Unit maximise the impact of its activities on the local economy

## Growth and Investment Unit - Key Actions

<b>BUSINESS GROWTH</b>		
<b>Key Actions</b>	<b>Supporting Actions</b>	<b>By When</b>
Lead on Business Support Strategy	<ul style="list-style-type: none"> <li>Consult on strategy</li> <li>Ensure business support products and services meet business needs</li> <li>Monitor and report performance</li> </ul>	<p>March 2013</p> <p>Quarterly</p>
Manage the transition of Business Support services into the Council	<ul style="list-style-type: none"> <li>Consult with staff</li> <li>Consult with Falkirk Business Panel</li> <li>Agree transition plan</li> <li>Make TUPE and other staffing arrangements</li> <li>Arrange a programme of induction, training and other staff support</li> </ul>	<p>July /Aug 2012</p> <p>Sept. 2012</p> <p>October 2012</p>
Provide Business Gateway services	<ul style="list-style-type: none"> <li>Provide business start-up services</li> <li>Provide business growth services</li> <li>Provide business aftercare, discretionary support and expert help services</li> <li>Deliver local Business Gateway marketing in conjunction with other Unit marketing activity</li> <li>Deliver programme of workshops and training</li> </ul>	<p>From October 2012</p>
Provide business loans and grants	<ul style="list-style-type: none"> <li>Manage BP Loan Fund</li> <li>Manage East of Scotland Investment Fund</li> <li>Deliver new business grant scheme</li> <li>Promote Regional Selective Assistance and other sources of business funding</li> </ul>	<p>From October 2012</p>
Provide a range of other business support	<ul style="list-style-type: none"> <li>Run a Supplier Development Programme supporting 100 companies</li> <li>Input to the Government's Business Support Portal</li> <li>Support the introduction of the Trusted Trader Scheme</li> <li>Support businesses to connect with global markets, including liaison with SDI</li> </ul>	<p>From October 2012</p> <p>Dec. 2012</p> <p>From October 2012</p>
Manage the Young SMEs INTERREG project	<ul style="list-style-type: none"> <li>Participate in web and other meetings, including presentations</li> <li>Host a meeting in Falkirk</li> </ul>	<p>21st Sept</p>

<b>ECONOMIC INITIATIVES</b>		
<b>Key Actions</b>	<b>Supporting Actions</b>	<b>By When</b>
Lead on Economic Strategy (MFIF Update)	<ul style="list-style-type: none"> <li>Consult with other Council services and Falkirk Business Panel</li> <li>Identify new economic needs and opportunities</li> <li>Monitor the area's economic performance</li> <li>Report on and update the strategy</li> </ul>	March 2013
Market the area as a business location	<ul style="list-style-type: none"> <li>Manage and develop the Falkirk brand</li> <li>Manage and develop websites</li> <li>Manage PR contract</li> <li>Use print, advertising, social and other media to deliver key messages</li> <li>Liaise with SDI and others on inward investment</li> </ul>	Ongoing From Oct. 2013
Develop and promote tourism	<ul style="list-style-type: none"> <li>Manage JWA with VisitScotland</li> <li>Implement Falkirk Tourism Action Plan 2012 and update for 2013</li> </ul>	March 2013
Engage young people in the economic future	<ul style="list-style-type: none"> <li>Liaison with Education Services</li> <li>Supporting <i>Making the Connections / Enterprise Education</i></li> <li>Supporting Backing Falkirk's Future</li> </ul>	Ongoing
Provide a business engagement service	<ul style="list-style-type: none"> <li>Communicate with businesses through websites, newsletters and other media</li> <li>Manage the Falkirk Business Panel, including 4 major events p.a.</li> <li>Help businesses to access Council services.</li> <li>Progress a Business Hub at the Falkirk Stadium</li> <li>Progress a Customer Standards Charter</li> </ul>	Ongoing  From Oct.2012  From Oct. 2012
Manage Forth Valley Business Gateway contract	<ul style="list-style-type: none"> <li>Liaise with Business Growth section</li> <li>Manage the Stirling and Clackmannanshire contractor</li> <li>Lead Forth Valley management group</li> <li>Monitor and report progress</li> </ul>	From Oct. 2012
Provide a Partnership for Continuing employment service (PACE)	<ul style="list-style-type: none"> <li>Respond promptly to redundancy situations</li> <li>Liaise with Jobcentre + and other agencies to deliver support</li> </ul>	As required
Develop new opportunities and key sectors	<ul style="list-style-type: none"> <li>Support delivery of TIF / Investment Zone</li> <li>Identify and progress sectoral projects green economy (renewables, recycling etc), tourism, retail, promoting social enterprise, innovation, international connections and global markets.</li> </ul>	Ongoing  From Oct. 2012

<b>INVESTMENT</b>		
<b>Key Actions</b>	<b>Supporting Actions</b>	<b>By When</b>
Deliver regeneration and placemaking initiatives	<ul style="list-style-type: none"> <li>• Lead on Denny Town Centre</li> <li>• Lead on Grangemouth Town Centre</li> <li>• Conclude other Scottish Govt. Town centre Regeneration Projects</li> <li>• Lead on Falkirk THI project</li> <li>• Conclude Bo'ness THI project</li> <li>• Take forward Portdownie and Rosebank projects with Scottish Canals</li> </ul>	March 2013
Consult and communicate with communities	<ul style="list-style-type: none"> <li>• Consult on regeneration /place projects</li> <li>• Manage web content, produce newsletters and use other media to deliver key information on regeneration</li> <li>• Organise / attend public meetings and visits to schools and other organisations</li> </ul>	March 2013
Support Town Centre Management	<ul style="list-style-type: none"> <li>• Manage Joint Working Agreement</li> <li>• Support Business Improvement District</li> <li>• Ensure estate management to Town Centres Maintenance Charter standards</li> </ul>	March 2013
Manage Council's town centre and other regeneration site assets	<ul style="list-style-type: none"> <li>• Manage property portfolio</li> </ul>	March 2013
Develop and implement a Tax Increment Finance Scheme (TIF)	<ul style="list-style-type: none"> <li>• Prepare full business case and submit to Scottish Future's Trust</li> <li>• Manage timetable and financial planning for infrastructure works</li> <li>• Help promote business investment opportunities and handle investment enquiries</li> </ul>	Sept. 2012  From Oct. 2012  From Oct. 2012