

PERTH AND KINROSS COUNCIL**Enterprise and Infrastructure Committee****5 June 2013****BUSINESS CONSULTANCY SUPPORT GRANT
AND UPDATE ON BUSINESS GROWTH INITIATIVES****Report by Executive Director (Environment)****PURPOSE OF REPORT**

This report provides a brief update on some of the key Business Growth initiatives and outcomes delivered by the Council over the last year. In addition it outlines the criteria for a proposed new Business Consultancy Grant, which will support local companies in accessing expert advice and support.

1. BACKGROUND**Business Growth Update**

- 1.1 The Council established a new Business Growth team as part of the Planning and Regeneration Division in April 2011. Since then, the focus has been on developing an area-based network of business advisers, providing one-to-one support to businesses looking to grow, and directing them to other appropriate support available from other local business support agencies.
- 1.2 In addition, the Business Growth team has developed a number of new initiatives during 2012 and early 2013. This has included the creation of a Perth & Kinross Business and Enterprise Group of support agencies (comprising PKC, Perthshire Chamber of Commerce, Federation of Small Businesses, Business Gateway Perth College Centre for Enterprise, and Scottish Enterprise). This will enhance communication between the agencies and organisations, and ensure greater coordination of activities. The group has recently launched a joint Business Events on-line diary, which will detail all business related events in Perth & Kinross in one place. To view the calendar visit www.perth-and-kinross-business-calendar.co.uk
- 1.3 The development of Business Collaboration Workshops has continued to prove successful, and we now support greater joint working between many local businesses. Monthly events continue to be held throughout the Council area, and in 2012/13 a total of 36 meetings were held, attracting an audience of approximately 400 business people. Encouraging more collaborative partnerships is one way to encourage business growth in the Perth and Kinross area. As such, we have been working with Co-operative Development Scotland to provide a range of workshops and advice for local companies thinking of growing through collaboration and partnership.

- 1.4 The Angel's Share initiative continues to attract interest from potential investors and companies seeking equity investment. To date, 15 companies have been assisted and we have 14 Business Angels involved in the scheme. Following two live "pitching" events in 2012, the Angels Share has now secured its first major success. This has resulted in a significant six figure investment to local food manufacturer and visitor experience Stewart Tower Dairy near Stanley; with other investments anticipated in the near future. A further live event will take place on 28 May 2013 at Perth Racecourse.
- 1.5 In conjunction with the Scottish Enterprise 'Smart Exporter' programme, we have been supporting local companies to export. To date, we have run nine workshops with more planned during 2013. Exporting is a significant growth opportunity for some local companies and we are keen to encourage this further. In 2012, we also sponsored a new Exporting Award at the Perthshire Chamber of Commerce Awards. This was presented to a small publishing company in Aberfeldy, a client of the Business Growth team.
- 1.6 The Business Growth team have continued to fund company growth projects through the various funding mechanisms currently available to them. These include; the Business Growth Grant, the overseas market development grant and the East of Scotland Investment Fund. The East of Scotland Investment Fund in 2012 extended its upper limit from £50,000 to £100,000 business loans. A full list of approved grants and loans is attached at Appendix 1.
- 1.7 The Business Gateway in Perth and Kinross has had another successful year. In October 2012, the new five year contract commenced. In Tayside, this was secured through a competitive tendering exercise. The existing providers Enterprise North East Trust were successful in securing the contract. As a result they have relocated to larger premises at Saltire House, Whitefriars Business Park in Perth. During their time "between premises" the Council provided an alternative location for their Perth-based staff at our offices at 2 High Street.
- 1.8 It remains a challenging time to encourage start up business, with Business Gateways across Scotland reporting difficulties in reaching targets set. However, in Tayside they have managed to reach the majority of targets set by the coordinating group of Tayside Local Authorities. The table below outlines the actual outcomes achieved for the period April 2012 – March 2013.

Business Gateway Delivery – April 2012 – March 2013

	Angus	Dundee	Perth	Other	Total
Business Start Ups	201	303	264	13	781
Growth Start Up (40%)	21	34	29	1	85
VAT+/PAYE start ups	34	35	48	2	119
Start Up Workshops	43	130	53	0	226
Existing Bus Workshops	8	30	13	0	51

	Angus	Dundee	Perth	Other	Total
GAS/GP Referrals	14	20	28	0	62
DRM(A/cMgd) Referrals	5	2	3	0	10

- 1.9 In setting the 2013/14 Revenue Budget, the Council agreed to resource a package of measures aimed to support local business growth. Included within that package of measures is a proposal to introduce a new Business Consultancy Grant to ensure local businesses have access to expert advice. The funding is allocated to the Enterprise Revenue budget.

2. PROPOSALS

The Business Consultancy Grant (BCG)

- 2.1 The Business Growth Team currently offer advice and support to companies within Perth & Kinross with growth ambitions. Whilst they are able to provide a range of advice and support, a number of their clients require more specialist, or in-depth, support which they are not currently able to provide. We have been able to access limited consultancy funding support via the Business Gateway's Tayside-wide Business Development Grant. However, this European Regional Development Fund (ERDF) project has now finished.
- 2.2 One example of a company supported through the ERDF project, was a specialist construction company in Auchterarder who needed marketing advice. This has resulted in a much improved website with more sales generated and a forecast of an increase in turnover of £500k over the next three years. Another example was Quantum Energy who received support to develop a new Business and Marketing Plan. This has resulted in significant growth from £260k to £800k per annum, and to them being accepted into the Scottish Enterprise Growth pipeline.
- They have also been successful in securing additional funding via the East of Scotland Investment Fund and through bank funding.
- 2.3 As a result of the ending of the ERDF Business Gateway project, and the ongoing difficulties local companies are reporting in terms of securing funds to seek expert advice to support their growth ambitions, it is recommended that we create a locally funded Business Consultancy Grant Scheme.
- 2.4 The proposal under consideration in this report is to create a new fund to provide additional support to our existing and new clients. The proposed grant is outlined below, and a detailed list of operating procedures and eligibility guidelines are attached at Appendix 2.
- 2.5 The Business Consultancy Grant would offer a unique opportunity for businesses in Perth & Kinross to gain access to a wide variety of professional business consultants at greatly reduced rates. The scheme would be designed specifically to help the smaller firm which, under normal

circumstances, would find it difficult to meet the full cost of professional consultancy services. Support could be provided to help companies develop sales and marketing plans, growth strategies, and to provide advice and guidance in areas such as on-line sales.

- 2.6 Eligible businesses must be able to demonstrate they are able to develop and grow. In addition, by seeking specialist advice and implementing that advice, they must demonstrate they will increase turnover, potentially employ more staff and trade outside Perth & Kinross.
- 2.7 It is recommended that assistance be provided up to 50% of the costs to a maximum grant of £2,500 per consultancy project. With the allocated budget of £65,000 this would allow us to support a minimum of 26 businesses in the year.
- 2.8 The main outcomes would be in supporting companies to bring in specialist advice to assist them to grow, increase turnover and profit, and safeguard and create new jobs.
- 2.9 It is intended to compile a list of specialist advisors covering the categories detailed at Appendix 2 via a tendering / procurement process. The grants will require to be 50% match funded by the business (and not via any other public funding). Proof of payment will be required prior to reimbursement of 50% of the total fee, to a maximum of £2,500.

3. CONCLUSION AND RECOMMENDATION(S)

- 3.1 The report has highlighted significant additional outcomes being delivered by the Council's Business Growth team and other local enterprise network partners. While the Business Growth team have themselves a wide range of business expertise, it is recognised that often more in-depth and specialist support is required to assist businesses.
The introduction of a local business consultancy grant will encourage local businesses to seek specialist advice, and in turn to grow their businesses and the local economy.
- 3.2 The Committee is asked to:
 - (i) Approve the Business Consultancy Support Fund grants scheme criteria and guidelines as set out in Appendix 2 to this report.

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Date 8 May 2013		

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

The undernoted table should be completed for all reports. Where the answer is 'yes', the relevant section(s) should also be completed

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	No
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	Yes
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	Yes

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 The Perth and Kinross Community Planning Partnership (CPP) brings together organisations to plan and deliver services for the people of Perth and Kinross. Together the CPP has developed the Perth and Kinross Community Plan which outlines the key things we think are important for Perth and Kinross:-

- (i) Giving every child the best start in life
- (ii) Developing educated, responsible and informed citizens
- (iii) Promoting a prosperous, inclusive and sustainable economy
- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for the future

- 1.2 It is considered that the actions contained within this report contribute to objective (iii).

Corporate Plan

- 1.3 The Council's Corporate Plan 2013-2018 outlines the same five Objectives as those detailed above in the Community Plan. These objectives provide a clear strategic direction, inform decisions at a corporate and service level and shape resource allocation. It is considered that the actions contained in the report contribute to objective (iii) outlined in paragraph 1.1 above.

2. Resource Implications

Financial

- 2.1 The budget motion for 2013/14 identified a package of additional resources to support the economy. Included within that package of measures was a proposal to introduce a new Business Consultancy Grant to ensure local businesses have access to expert advice. The funding was allocated to the Enterprise Revenue budget located within the Planning and Regeneration division of The Environment Service.
- 2.2 The Head of Finance has been consulted on the proposals contained within the report, and has indicated agreement with the proposal to allocate £65,000 of revenue funding towards the creation of a Business Consultancy Grant.

Workforce

- 2.3 There are no direct workforce implications of this proposal. The existing Business Growth Team (in conjunction with partner agencies) will market and administer the scheme to potential business clients.

Asset Management (land, property, IT)

- 2.4 There are no land and property, or information technology implications arising from the contents of this report.

3. Assessments

Equality Impact Assessment

- 3.1 An Equality Impact Assessment needs to be carried out for functions, policies, procedures or strategies in relation to race, gender and disability and other relevant protected characteristics. This supports the Council's legal requirement to comply with the duty to assess and consult on relevant new and existing policies.
- 3.2 The function, policy, procedure or strategy presented in this report was considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:
- i) Assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.3 Strategic Environmental Assessment (SEA) is a legal requirement under the Environmental Assessment (Scotland) Act 2005 that applies to all qualifying plans, programmes and strategies, including policies (PPS). The proposals have been considered under the Act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

The proposals contained within the report are assessed to have a positive impact on sustainability, particularly with regard to the economic and business growth aspects of sustainable development.

Legal and Governance

- 3.5 There are no legal or governance implications of the proposals contained within this report.

Risk

- 3.6 There are no specific risks associated with the proposals outlined within the report.

4. Consultation

Internal

- 4.1 The Chief Executive, the Executive Director (Housing and Community Care), and the Executive Director (Education and Children's Services) have been consulted.

External

- 4.2 The Business Gateway, Scottish Enterprise, Perth College Centre for Enterprise, the Perthshire Chamber of Commerce, and the Federation of Small Businesses have been consulted on the contents of the report (insert any feedback).

5. Communication

- 5.1 If the approval is given for the new Consultancy Grant scheme we will ensure it is widely marketed to appropriate businesses via the Business Growth Team and partner organisations. Appropriate channels of communication will also be utilised, such as press release, websites, e-newsletters, Facebook and Twitter.

6. BACKGROUND PAPERS

No background Papers have been relied on in preparing the report.

7. APPENDICES

Appendix 1: Business grants and loans approved 2012/3.

Appendix 2: Detailed Business Consultancy Grant Guidelines and Criteria.

Business Grants and Loans Approved 2012/13

BUSINESS GROWTH GRANTS 2012/13		
Company	Project Supported	Grant
Butterstone Studios	Digital Video Equipment	9,958
Rolling River Publications Ltd	App Development	3,750
Speakeasy Productions	IT Equipment	20,000
Strathtay Developments	Watersports / Tourism facility	20,000
Blues and Browns - Growth Grant	Manufacturing equip and extension to workshop	20,000
Perthshire Farmers & Producers	Catering equip for festivals	11,027
Perth Golf Range Ltd t/a Noah's Ark caravan park	Infrastructure / drainage	10,000
Mains of Taymouth Growth Grant	Events building	12,000
Pitlochry Golf Club (£20k over 2 years)	Driving range	10,000
Workspace Design	Manufacturing equipment	15,000
Glenseal Adhesives	Glue manufacturing equip	15,000
The Wee Pie Company	Kitchen Equipment	7,000
Highland Safaris	Interpretation / deer centre	12,000
Scotland Charity Air Ambulance	Start up equipment	10,000
N.E.T. Waterjet	Hydro demolition equip	8,475
Pitlochry Festival Theatre	Match funding for Enterprise Growth Grant – additional management post	15,000
Strathearn Distillery	Distilling equipment	6,050
Atholl Centre	Staff accommodation	2,000
Progression Bikes	Mountain trike for disabled users	1,750
EAST OF SCOTLAND INVESTMENT FUND - LOANS		
Kacey	Working capital to support growth	15,000
Scotclay	Working capital to purchase stock	25,000
Quantum Energy	Working capital to support growth	50,000
Specialist Roof Cleaning	Working capital & equipment	50,000
OVERSEAS MARKET DEVELOPMENT GRANT		
The Inveralmond Brewery	Exhibition support	1,121
Photoprint Scotland	Exhibition support	222

Appendix 2

Perth and Kinross Business Consultancy Grant (CSG)–Guidelines and Criteria

We have highlighted on the table below the range areas of expertise we would anticipate the grant to cover albeit we expect the majority of applications from only a few of these areas.

Type Of Service	Sub-Category	Category Description
Legal	Strategy and Development	Advise on legal aspects of business strategy and how to develop it.
	Commercialisation / Exploitation	Developing and taking ideas to market and advice on legal aspects of market opportunities.
	Employment Law	
	Contracts (e.g. licensing agreements/JVs/alliances)	Offering advice on various types of contracts and identifying most suitable and appropriate contract structure and agreements.
	Procurement Law	Offering advice and sessions on the legal aspects of procurement including TUPE.
	Intellectual property	
Finance and Accountancy		Business based re-structuring, debt re-structuring.
		Valuation of fixed and intangible assets.
		Capitalisation of intangible assets.
		Taxation issues.
		Risk (eg protecting your info; getting more from your data; business processes and strategies, business risk analysis and strategy).
		Debt management and insolvency support and advice.
		General advice about business finance re accounts and access to grants and loans.
		Green finance and access to grants and loans.

Business Expertise	Sub Categories	Detailed Descriptions
	Supply chain, procurement and logistics.	
	E-commerce.	
	Food safety legislation	e.g. HACCP/ SALSA / EFSIS
	Social Media.	
	IT Infrastructure	IT infrastructure, business continuity, disaster recovery, MIS, security data protection, cloud computing and hosted services, software applications, mobile and remote working.
	Franchising/ Licensing	
	Tender Library Service	
	Staff Development	
	Premises	
	Environmental Advice and Planning	Environmental legal, environmental grants loans and funding, environmental supply chain, green marketing credentials, in house staff environmental training.
		Staff development and environmental sustainability services.
	Equality and Diversity	Equality and diversity training and policy development, support and equality employment, good practice advice.
	Product Innovation	Product and service innovation.
	Health and Safety	Health and safety general training and advice on management systems. General advice on health and safety management for small businesses, including policy statement, compliance with legislation and risk assessments.
	Research and Development	R&D of innovative products or services.
	Organisational Change	Business organisation, change management and staff engagement.
	Quality Systems	Implementation of other Quality systems.

The main criteria for grant approval will be as follows:

- Business must be trading and demonstrating growth potential, or a proposed start-up with significant growth potential
- Up to a maximum of £2.5k grant will be approved
- Can be no more than 50% of total VAT exclusive project cost
- Business must be able to demonstrate that the proposed activity will help it to meet its growth objectives and be part of an overall marketing strategy
- Full application form required
- Match funding must be from Private Funding Sources
- Business outline with forecasted growth justification must be provided
- Business must be based within Perth & Kinross
- No retrospective claims can be accepted
- Includes all areas of Perth & Kinross
- Only SME's will be eligible (i.e. Businesses with up to 250 employees)
- Ineligible sectors include retail, personal, local and professional services, pubs & clubs and speculative property development. *This is not an exhaustive list and PKC reserve the right to potentially exclude other sectors.*
- Grant will be fully repayable if business ceases trading or moves out-with the Perth & Kinross area within 3 years of receiving the grant

