PERTH AND KINROSS COUNCIL

Strategic Policy and Resources Committee

20 April 2022

BUSINESS GATEWAY TAYSIDE SERVICE

Report by Head of Planning and Development

(Report No. 22/90)

1. PURPOSE

1.1 This report provides an overview of the Business Gateway Tayside service, and its performance and contracting arrangements. It also seeks approval for revised Governance arrangements.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
 - (i) notes the excellent performance against targets of the service delivered despite the challenging operating environment
 - (ii) notes that the Scrutiny Committee reviewed the Business Gateway services' performance and governance arrangements at its meeting on 29 November 2021
 - (iii) approves plans for revised governance arrangements in line with those set out in this report; and
 - (iv) remits the Executive Director (Communities) to develop and conclude a Memorandum of Understanding (MoU) with Dundee City Council and Angus Council that will underpin the revised governance arrangements.

3. BACKGROUND

- 3.1 The national Business Gateway service was introduced throughout the Scottish Enterprise operating area in 2003 with the objective of offering a consistent signposting and development service to all businesses throughout lowland Scotland.
- 3.2 Each business, throughout its lifecycle, requires a varying type and intensity of support. Business Gateway provides this support through workshops, a comprehensive website with a considerable range of self-serve content and tools, together with general and specialist adviser support.
- 3.3 The Business Gateway service has been managed and delivered by local government since April 2008. It was previously run by Scottish Enterprise (SE) and was transferred following the 2007 review of the enterprise agencies, which also resulted in local authorities taking over responsibility for local economic development. The Business Gateway service was subsequently expanded to include the Highlands & Islands.

- 3.4 Most Business Gateway services are delivered in-house by local authorities six are contracted-out, three operate a blended model, and one (Fife) is delivered via an arm's length organisation. In Tayside, Dundee City Council is the lead local authority working with Angus Council and Perth & Kinross Council to deliver Business Gateway Tayside service on a contracted-out basis. The lead authority role is to contract with, and report to, the Scottish Government as well as receiving the funding on behalf of the region. There is one officer employed by Dundee City Council to manage the contract, and that post is funded from the Business Gateway budget. The budget from the Scottish Government has remained the same since 2008.
- 3.5 The Business Gateway National Unit (BGNU) supports Local Authorities in the delivery of Business Gateway services and is based at COSLA in Edinburgh.
- 3.6 The Business Gateway service is delivered through a combination of common national and bespoke local elements. The nationally delivered elements are as follows:
 - Business Gateway Enquiry Service which is delivered by Scottish
 Enterprise's Enquiry, Research and Fulfilment Service and is delivered as
 part of a Partnership Agreement with SE which is managed and monitored
 by the BGNU.
 - Business Gateway website (www.bgateway.com) which is managed by the BGNU. The website is the principal digital platform for Business Gateway and is used on all national and local marketing materials both online and offline.
 - Business Gateway Event Management System and the website (www.bgateway.com/events) which are the principal platforms for Business Gateway event listings and is used on all national and local marketing materials, both online and offline.
- 3.7 The national services are complemented by a range of regional services:
 - Start-Up Advisory Service (defined as a core service)
 - Existing and Growing Businesses Service (including Growth Pipeline) (defined as a core service)
 - Business Gateway Local Services
 - Additional Services Funded by the European Regional Development Fund (ERDF) (and potentially the new Shared Prosperity Fund)
- 3.8 Appendix 1 details the roles of the organisations responsible for the delivery, management, and oversight of Business Gateway services in Scotland.

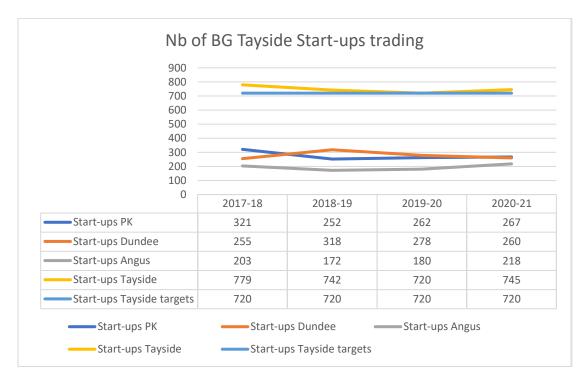
3.9 A detailed report (Report No. 21/226 refers) was submitted to the Scrutiny Committee on 29 November 2021. This provided information on contract performance and contracting arrangements over the contract period. It also provided an update on the related Governance arrangements. The Scrutiny Committee noted the good performance of the services and underlined the importance to review and improve the governance arrangements.

4. CONTRACT PERFORMANCE

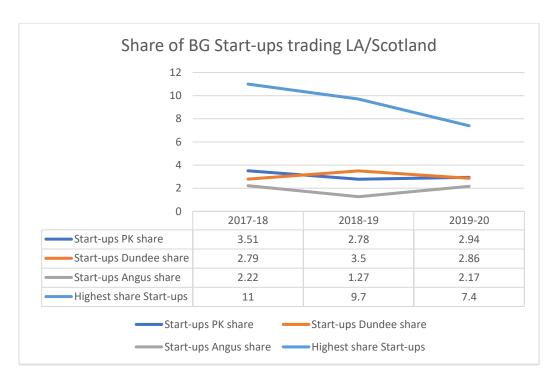
Contract performance

- 4.1 The Business Gateway Tayside contract has been held by Elevator since 2008. Following a full OJEU tendering process undertaken by Dundee City Council and supported by Angus and Perth & Kinross Councils, Elevator was successful in retaining the contract for Business Gateway Tayside service delivery from 1 April 2017. The contract ran to 31 March 2019 with the option to extend for three further years until 31 March 2022. Based on achievement of targets, Elevator's contract was extended to 31 March 2022.
- 4.2 The Business Gateway Tayside contract delivers the following services:
 - Start-Up Advisory Service
 - Existing and Growing Businesses Service (including Growth Pipeline),
 Business Gateway Local Services linking to Scottish Enterprise Account
 Management system
 - Additional Services funded by the European Regional Development Fund (based on funding applications) include:
 - Expert Help programme
 - International support services
 - Accelerator programmes
 - o Events Including marketing, Future of the web, Planning for Growth
- 4.3 Appendix 2 details the Business Gateway national and regional service as a pipeline of an integrated business support system.
- 4.4 The Start-Up Advisory Service covers pre-start, start-up, and early-stage support for new businesses. The principal components of the Start-Up Advisory Service are:
 - start-up guidance and information provided via the website and the Enquiry Service
 - one-to-many training workshops (based on a core catalogue of workshops specified in the Business Gateway Programme Rules)
 - one-to-one advisory services provided by Business Gateway advisers
 - services as outlined in an Action Plan agreed between the Business Gateway adviser and the client.

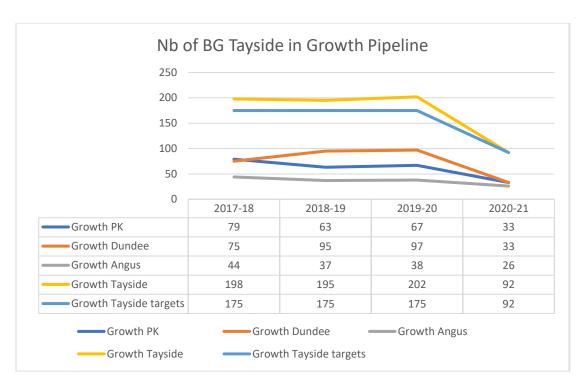
- 4.5 The Growth Pipeline programme assists companies with growth potential and will work with, and refer to, the support best suited to the firm, including business services from Scottish Enterprise. An example would be if someone was starting a technology business with high-growth potential, they may have the option of receiving support from the High Growth Start-up team at Scottish Enterprise. The High Growth Start-up team works with pre-start businesses across Scotland. They have stringent eligibility criteria, but if companies qualify, they will receive intensive hands-on support.
- 4.6 The following graph shows the annual target number of start-ups for Tayside and the actual number of start-ups supported for Tayside and for each local authority. The target is set jointly by the 3 councils as part of the tendering process. The contract targets for Tayside have been met or exceeded over the period. There were no targets set for Perth and Kinross. The number of Business Gateway start-ups in Perth and Kinross has slightly decreased over the period. The share of Business Gateway start-ups in Perth and Kinross has also slightly decreased over the period (42.2%, 33.96%, 36.38%, 35.83%).



4.7 The following graph provides a national benchmark using the SLAED indicator 'annual number of Business Gateway start-ups trading in Scotland' and the national share in percentage for each local authority. The highest national share (the local authority which has the highest share) has decreased over the period, whereas the national share of start-ups in the local authorities in Tayside has remained relatively constant. The national share of Business Gateway start-ups in Perth and Kinross has decreased over the period, notwithstanding an improvement in 2019-20. Internal fluctuations between areas must be expected in a contract which delivers across a wide area. Start-up figures in 2017-18 were particularly high and fluctuations may be explained by a fall in the unemployment rate over the period.



- 4.8 The components of the Service for Existing and Growing Businesses are:
 - business guidance and information provided via the website and the Enquiry Service
 - one-to-many training workshops (based on a core catalogue of workshops specified in the Business Gateway Programme Rules)
 - one-to-one advisory services provided by Business Gateway advisers.
 - Services are outlined in an Action Plan agreed between the Business Gateway adviser and the client
 - nominated one-to-one adviser support available to the client to help them
 - clients are referred to Scottish Enterprise for account management and other support including Growth Pipeline support. Early-Stage Growth (ESG) clients are start-up clients or businesses which have been trading for less than eighteen months, and plan to create additional jobs in their local economy. Growth Advisory Service (GAS) provides additional business support with access to 121 support and expert help for businesses projecting increase in turnover of £200k+ over next three years.
- 4.9 The following graph shows the annual target number of businesses to be entered into the Growth pipeline (GAS/ESG) for Tayside and the actual number of businesses entered the Growth pipeline for Tayside and for each local authority. The contract targets for Tayside have been exceeded over the period, although there was a decrease in 2020-21 mainly due to the impact of Covid. There were no targets set for Perth and Kinross. The share of Business Gateway growth in Perth and Kinross has decreased over the period (45%, 32.3%, 33.16%, 35.87%). There is no available national data for comparison.



- 4.10 In addition to the core services outlined above, and not duplicating existing Business Gateway national services, the Business Gateway Local Services provide the following:
 - a service of 1-2-1 support to businesses, either existing or pre-start, considered by the local authority to be of importance to the local economy but not eligible, or do not meet the criteria, for mainstream Business Gateway or SE support.
 - local networking events targeted at pre-start and new start businesses.
 - a service to businesses with urgent issues that may force them to downsize or put the future of the business in jeopardy in the immediate future and are looking for support and advice on the best way forward (Survive & Thrive).
 - local initiatives to raise the profile of entrepreneurship and encourage a culture of enterprise.
- 4.11 Over the period, Business Gateway Tayside service has exceeded targets for workshops, with 165 businesses attending start up workshops and 114 businesses attending growth workshops as well as digital boost events/support. The contract has also provided 126 referrals to the growth pipeline service (GAS). In 2020-21, 210 businesses in Tayside have been supported through Covid 19 Survive & Thrive scheme, including 83 in Perth and Kinross.
- 4.12 In addition to the core and local services outlined above, ERDF funding was also secured to provide additional services as follows: specialist adviser support to growth businesses, expert help, growth workshops and accelerated high value enterprise.

- 4.13 Digital boost funding was also secured as part of the national digital engagement programme and provided 1 to 1 support and workshops, with 74 interventions delivered in Perth and Kinross to date. The digital boost programme allows businesses to access webinars, grants, support from a digital consultant, online advice & tips to help their business and platforms do more with digital.
- 4.14 For financial year 2021/2022, the performance for the period April to December 20 is set out in Table 1 below:
 - 94% of the annual target for starts was met and 80% of the annual target for early-stage growth
 - the annual target for start-up workshops has been surpassed and almost met for existing business workshops
 - 94% of the annual target for referrals to the Growth Advisory service has been met.

Table 1: Business Gateway Delivery, April 2021 – December 2021: Local Authority Breakdown

	Angus	Dundee	Perth & Kinross	Total	Annual Target
Business Start Ups	174	185	185	544	580
Early-Stage Growth	15	14	11	40	50
Start Up Workshops	20	16	16	52	50
Existing Business Workshops	2	6	2	10	12
Growth Advisory Service Referrals	9	18	20	47	50
Business Boost	26	41	47	114	154

Contract Information

- 4.15 The budget for Business Gateway is provided by the Scottish Government through the revenue funding received by Dundee City Council as the lead authority for Business Gateway Tayside to deliver all core and local services.
- 4.16 The total settlement annual amounts received by Dundee City Council from the Scottish Government has remained constant over the period at £1,362,000.
- 4.17 Although the value for the contract which was tendered was not impacted, Dundee City Council decided to make a saving of £150,000 in the programme management costs and fees through its budget review process to address a challenging budget settlement in 2017/18. This action was not in accordance with the Business Gateway Operating Agreement and after further discussion with Perth and Kinross and Angus Councils, the saving was re-instated in 2020/21. It was agreed the reinstated funding should be used to enhance the contract value from 2020/21 onwards to deliver more activities than specified in the original contract. However, the initial 3-year budget saving was not re-instated. This was discussed at the Scrutiny Committee on 29 November 2021.

- 4.18 This has led to a requirement to further clarify and improve the governance arrangements including greater transparency on programme management costs and fees.
- 4.19 The agreed budget for the delivery of the Business Gateway Tayside service is as follows:

Year	Actual spend Core and Local Services (excl. VAT)	BG programme management costs and fees	Total (Local Government Settlement figures)
2017/18	£1,000,085	£211,915 (£361,915-£150,000*)	£1,362,000
2018/19	£1,000,163	£211,837 (£361,837-£150,000*)	£1,362,000
2019/20	£998,895	£213,105 (£363,105-£150,000*)	£1,362,000
2020/21	£1,149,666	£212,334	£1,362,000
2021/22	£1,149,995	£212,005	£1,362,000
Total	£5,298,804	£1,061,196 (£1,511,196-£450,000)	£6,810,000

^{*}Dundee City Council's saving reinstated in 2020-21.

4.20 Additional funding is supporting European Regional Development Fund (ERDF) and Digital Boost activities. ERDF funding has ceased, and withdrawal of ERDF is an issue that would impact on future delivery of services if not replaced, particularly in relation to growth and expert advice support. Digital boost funding is allocated on an annual basis.

Year	Contracted spend ERDF	Additional spend ERDF	Digital Boost
2017/18	£217,142	-	£48,500
2018/19	£210,548	£142,300	£55,860
2019/20	£190,770	£142,300	£61,680
2020/21	-	-	£60,150
2021/22	-	-	£43,600
Total	£618,460	£284,600	£269,790

- 4.21 Payments are linked to the number of start-ups which has begun trading, the number of businesses accessing Early Stage Growth (ESG), the number of businesses accessing Growth Advisory Service (GAS), local networking events/workshops, expert help, and specialist advice, as well as a monthly management fee.
- 4.22 In addition to overall management of the contract and specialist advisers, Elevator employs 16 people in total to deliver the Business Gateway Tayside service. The contract requires a physical presence in Perth & Kinross and current staffing numbers are 2 start-ups advisers, 1 growth adviser and 1 administrator. 1 additional growth adviser (ERDF) was also employed in Perth and Kinross when funding was available. Access to regional specialist advisers on HR, export and communications is also available to Perth and

- Kinross businesses. Elevator has located its Perth and Kinross office at the Creative Exchange in Perth.
- 4.23 The regional delivery of Business Gateway Tayside service is aimed at providing added value by increasing capacity and sharing specialist regional expertise. The joint co-ordination of contract management saved time and optimised resources for each local authority. The scale of the contract attracted interests from high performing contractors. It also allowed the creation of, and access to, a wider pool of experts to benefit our local businesses.
- 4.24 This Tayside wide approach to gateway services is now supported by the Tay Cities Economic Region model of a shared vision for its future via the Regional Economic Strategy. The cross fertilisation of supply chains and business communities and the benefits of resource sharing is ever more crucial in the region. This is to provide strong foundations, address inequalities, and forge even stronger partnerships to deliver a more prosperous and fairer future for the region, its communities, people, and businesses.

Current and Future Contract

- 4.25 The current contract for delivery of Business Gateway Services in Tayside is delivered by Elevator and was due to complete on 31 March 2022.
- 4.26 However, the future landscape for the delivery of Business Gateway services at a national level is currently under review. The national Business Gateway Board, whose members are COSLA, SLAED, SOLACE and whose role is to provide strategic leadership and recommendations on overall direction of the BG service, requested a strategic review of the service. The Business Gateway National Unit (BGNU) sought consultancy support to assist with this review, which is expected to conclude in late Spring 2022.
- 4.27 The review of Business Gateway operations will also require to be considered within the context of the new National Strategy for Economic Transformation. A summary of this is contained within the Economic Wellbeing plan update which will be considered at the Council meeting on 27 April 2022. Scottish Enterprise's decision to replace account management with more generic growth opportunity interventions also needs to be taken into account. In addition, Business Gateway delivery requires to factor in the Review of the Scottish Technology Ecosystem (the Logan Review) and the need for a decisive shift towards technology enabled higher value, higher skilled jobs. As previously noted, Perth and Kinross is forecast to be one of most affected areas from job loss through automation.
- 4.28 As the review was not concluded in time to set-up a new contract by 31 March 2022, the current Business Gateway Tayside service contract had to be extended by the steering group for a further year (31 March 2023) to ensure continuity whilst the national review is completed. A VEAT (Voluntary Ex Ante Transparency) Notice was published on Public Contracts Scotland in

- December 2021 advising of the intention to extend the current contract by one year from 1 April 2022.
- 4.29 Once the findings of the national review are concluded, a full procurement exercise will be undertaken with a view to letting a new longer-term contract from April 2023 that takes cognisance of any changes to the national specification for Business Gateway services.
- 4.30 It is anticipated that the new contract will continue to be delivered across the 3 Tayside Councils to ensure consistency across the functional geography and to deliver economies of scale and opportunity. However, it is intended the new contract will also allow for greater local flexibility to deliver what each Council area or sub-area might need specifically (e.g., more technology focussed/enabled businesses or a clear interface with the wider business support ecosystem (e.g., Chamber of Commerce, Growbiz's I peer-to-peer support and mentoring in rural areas).

5. FUTURE GOVERNANCE ARRANGEMENTS

- 5.1 The current governance arrangements for the Business Gateway Tayside service are as follows:
 - Memorandum of Understanding between the three Councils this
 provides a basis on which the parties shall agree the Services to be
 provided by the Contractor, specifies responsibilities of Dundee City
 Council as lead authority to Angus and Perth and Kinross Councils,
 specifies responsibilities of each party.
 - Contract between Elevator and Dundee City Council (acting on behalf of the three Councils)
 - 1 Business Gateway Programme Monitoring Officer (hosted and employed by Dundee City Council) – The officer is the point of contact for the contractor and ensures co-coordination of day-to-day contract management activities.
 - Conveners' annual meeting which reviews contract performance
 - Business Gateway Tayside service officers steering group comprising representatives from the three Councils, the Monitoring Officer and chaired by Head of Service from Dundee City Council. It meets quarterly and monitors and manages the contract.
- 5.2 Work has been undertaken by the Heads of Economic Development and colleagues across the three Councils to review Business Gateway Tayside service governance arrangements. The Business Gateway Officer Steering Group recommended future governance arrangements which were considered at a Business Gateway Conveners meeting on 20 January 2022. Councillors McCall and Duff attended the meeting as well as Councillor McCole as an observer. The recommendations were supported by the Conveners and are detailed in this report and appendix 3.
- 5.3 The proposals below take cognisance of the need to update current arrangements to ensure strategic fit between Business Gateway delivery and

the strategic priories of the Tay Cities Region, whilst recognising that the service is contractually delivered on behalf of three of the Tay Cities councils, as Fife have their own Business Gateway Service arrangements in place.

- 5.4 **Business Gateway Tayside Board:** It is proposed that the current Annual Conveners Meeting is replaced with a Business Gateway Tayside Board, and this should meet twice per year. The focus for the Board should be to provide strategic oversight and scrutiny of the Service. Each authority should appoint one elected member to attend. This may typically be their Convener with oversight of Economic Development, but it will be at the discretion of each council to determine appropriate representation. They should be accompanied and supported by the Head of Economic Development for the three councils or a nominated alternative. The Board should be chaired on a rotational basis by the elected members of the respective Councils and be facilitated by the Business Gateway Tayside Contract Manager. Tenure in the chair should be for a period of one year to cover two meetings of the Board. The proposed remit is set out in more detail in appendix 3.
- 5.5 **Business Gateway Officer Steering Group:** This should retain the features of the current Contract Management Group, meeting every two months. The focus for the Steering Group should be to provide operational and performance oversight of the Service. Meetings should be chaired by a Service Lead or Head of Service from the lead authority, and each local authority should have at least one representative present and a maximum of two. In addition, the Business Gateway Contract Manager should attend and facilitate the business of the Steering Group. The proposed remit is set out in more detail in appendix 3.
- 5.6 **Lead Authority:** Dundee City Council is the lead authority for the Business Gateway Tayside Service as agreed at the point of transfer of Business Gateway to local government in 2008. The role of lead authority involves several responsibilities that contribute to the sound governance, management, and delivery of the service and these require to be more formally reflected in the revised governance arrangements. These functions are outlined in more detail at appendix 3.
- 5.7 Alignment to Tay Cities Governance: Business Gateway Tayside is the most visible and long-standing example of collaboration and joint delivery within regional Economic Development. It is, therefore, important that the Tay Cities Joint Committee, which has strategic responsibility for the regional strategy, has oversight of how this service contributes to the business support landscape in the Tay Cities Region. It is, therefore, proposed that Heads of Economic Development should present reports to the Business Gateway Tayside Board updating them on performance of the contract and the contribution of the service to the regional business support landscape. It is further recommended that these reports and the minutes of the Business Gateway Tayside Board are submitted to the Joint Committee for noting to ensure that they are kept informed of developments in respect to delivery and performance of the Business Gateway services on a regular basis.

5.8 **Memorandum of Understanding:** It is proposed that once councils have approved the revised governance arrangements, the lead authority should engage with its legal team to prepare a revised memorandum of understanding to be signed by all three councils.

6. CONCLUSION

The current Business Gateway Tayside service has been effective and performing well against the agreed targets. The good performance of business growth support is worth noting. The service has been sustained and adapted well to address the challenges arisen from Covid-19. Delivery has quicky shifted to digital channels such as workshop delivery on-line. Webinars aimed at young entrepreneurs and online networking events have been delivered successfully. Elevator, the current contractor of Business Gateway Tayside service run three contracts in Scotland and the national share of the number of Business Gateway start-ups trading under these contacts have increased. The proposed governance arrangements between the three councils should make them stronger and ensure full transparency and effective scrutiny of performance.

Officer

Name	Designation	Contact
Serge Merone	Investment Manager	01738 475000
	_	ComCommitteeReports@pkc.gov.uk

Approved

Name	Designation	Date
Barbara Renton	Executive Director	4 April 2022
	(Communities)	

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	No
Workforce	No
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 Community Plan/Single Outcome Agreement 2017 2027 lays out five outcomes focused strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:
 - (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 future generations
- 1.2 This report relates to objective (iii) by maximizing and enhancing economic development opportunities to the benefit of businesses and local communities, encouraging new business creation and growth of existing businesses.

2. Resource Implications

<u>Financial</u>

- 2.1 Capital None.
- 2.2 Revenue There are no revenue implications arising from the report.

Workforce

2.3 There is no workforce implication arising from the report.

Asset Management (land, property, IT)

2.4 There is no asset management implication arising from the report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **relevant** and the following positive outcomes expected following implementation: as part of the new contract access to Business Gateway Tayside service would have to be tailored and flexible to encourage less represented groups (e.g. women, young people, people over 50, people from ethnic minority groups or people with a disability as well as people living in rural areas) which face barriers to participation.

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The information contained within this report has been considered under the Act. Pre-screening has identified that the PPS will have no or minimal environmental effects, it is therefore exempt.

Sustainability

- 3.5 Under the provisions of the Local Government in Scotland Act 2003 the Council must 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.
- 3.6 The information contained within this report has been considered under the Act. The proposals will enhance socio economic and economic development opportunities to the benefit of businesses.

Legal and Governance

3.7 The Head of Legal and Governance has been consulted and there are no legal implications.

Risk

- 3.8 There are a few risks associated with the proposal:
 - risks associated with the need to strengthen governance arrangements in time for the development of the new contract. The risk has been mitigated by extending the existing contract by 1 year which would allow time for the revised governance arrangements to be put in place. This risk will be managed by the Communities SMT.
 - Risks associated with possible challenge to the extension of the contract beyond 31 March 2022. The risk has been mitigated by working closely with Dundee City Council's procurement team to ensure compliance. This risk will be managed by the Communities SMT and Dundee City Council.
 - Risks associated with the need to develop a new contract which considers national developments and embed flexibility at local level. This risk has been mitigated by extending the existing contract by 1 year which would allow time to integrate national review results and devised fit-for purpose service. This risk will be managed by the Communities SMT.
 - Risks associated with lack of replacement for ERDF funding and related support activities particularly growth and expert advice. The risk will be mitigated by lobbying the Scottish and UK Governments for additional resources to replace ERDF funding. This risk will be managed by the Communities SMT.

4. Consultation

Internal

4.1 The Head of Finance and the Head of Legal and Governance have been consulted in the preparation of this report.

External

4.2 None.

5. Communication

5.1 The recommendations from the report will be communicated to stakeholders and the press through the media team.

2. BACKGROUND PAPERS

2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

3. **APPENDICES**

- 3.1
- Appendix 1 Business Gateway roles and responsibilities Appendix 2 Business Gateway Tayside service pipeline Appendix 3 Remit of proposed governance structure 3.2
- 3.3