



Glasgow City Council

**Neighbourhoods, Housing and Public Realm
City Policy Committee**

Report by Executive Director for Regeneration and the Economy

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Item 5

10th March 2020

BUSINESS SUPPORT REFRESH

Purpose of Report:

To update Committee on the review of Business Support that has taken place over the last year, resulting in a new enabling programme providing access to a range of specialist support services for Small and Medium Enterprises and Social Enterprises in the city.

Recommendations:

It is recommended that Committee consider the content of this report.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No

1 Introduction

- 1.1. This paper provides the background which led to a review of business support provision for Small and Medium Enterprises (SMEs) in the city, providing detail of the changing strategic context following the Enterprise and Skills review and Business Gateway Inquiry which concluded early in 2019.
- 1.2. The paper describes the role of Glasgow Partnership for Economic Growth (GPEG) as well as outlining consultation work carried out with the Social Enterprise sector in the city to better understand the support required to meet the Council's growth ambitions in this area.
- 1.3. It concludes by detailing the new framework in place and the model adopted to ensure that inclusive economic growth is centred at the heart of the city's refreshed business support for SMEs as well as making recommendations for better aligning services in the city within the Council's control.

2 Background

- 2.1 The business support landscape in Scotland has gone through a period of significant change over the past few years, a response to criticism around the effectiveness of national agencies and local government to drive inclusive economic growth and provide access to the right level of support for SMEs.
- 2.2. In June 2017 the Scottish Government published its final conclusions¹ of the national enterprise and skills review, triggering changes in the way Scottish Enterprise in particular provides support to businesses, the full impact of that being realised now through the introduction of a Single Entry Point in December 2019, the aim of which is to provide a one-stop-shop for businesses seeking support.
- 2.3 In addition, the Scottish Parliament concluded a review of the Business Gateway service² in February 2019. Business Gateway was not within the scope of the national enterprise and skills review and the Inquiry has provided a number of recommendations for improvement of the service at a national level.
- 2.4 Officers in DRS agreed to carry out a review of the services the Council provided to businesses in line with the ambitions laid out in the city's Economic Strategy. This work commenced in the autumn of 2018 triggering a process of engagement with key stakeholders across the city to help inform changes.

3 Glasgow Partnership for Economic Growth (GPEG)

- 3.1 Glasgow Partnership for Economic Growth (GPEG), chaired by the Leader of the Council, was established to ensure that the creation of a robust governance process drove delivery of the actions within the Economic Strategy. The construct of the GPEG Board consists of senior figures from across the public,

¹ Scottish Government (2017): Available at: <https://www.gov.scot/publications/enterprise-skills-review-report-phase-2/>

² Scottish Parliament (2019) Available at: <https://www.parliament.scot/parliamentarybusiness/CurrentCommittees/108573.aspx>

private, education and third sectors, offering strategic input and solutions to the city's key economic challenges.

- 3.2 Three Hubs (Business, Employability and Investment) sit under the main Board. The GPEG Business Hub provided the vehicle through which this business support review was carried out, providing a platform for officers to engage with stakeholders throughout the city and seek input from multiple partners across the public, private, education and third sectors.
- 3.3 Over a number of months they considered the logic model shown in Figure 1 below, taking account of the various reviews and the emerging governance in the city, with the aim of developing a new value proposition that would maximise the potential for Glasgow realising its ambition of being the most productive UK city economy by 2023.

Figure 1: Business Support Logic Model



- 3.4 The group explored the current problem, highlighted through the various public sector reviews and inquiries, concluding that the business support landscape was cluttered, confused and dislocated, often causing confusion for businesses in accessing appropriate support.
- 3.5 In Glasgow, unlike other parts of the country, there are a number of providers across both the public and private sector. For example, the Council operates Business Gateway³ as well as other grant funded programmes through Business Glasgow. In addition, Jobs & Business Glasgow⁴ (JBG) provides support to SMEs particularly Social Enterprises and more lifestyle businesses, and the Business Intellectual Property⁵ offer at the Mitchell Library provides start-up advice to individuals seeking to start a new business. Moreover, the national support available through Scottish Enterprise and Skills Development Scotland adds to the confused nature of business support, which also includes private sector offerings through a number of operators in the city.
- 3.6 The Hub examined the current Council offer of business support, funded through phase 1 of the 2014-2020 European Regional Development Fund (ERDF) programme. This provided two days of support to eligible businesses who could demonstrate that they had potential to grow their turnover by

³ More information available at: <https://www.bgateway.com/local-offices/glasgow/local-support>

⁴ More information available at: <http://www.jbg.org.uk/>

⁵ More information available at: <https://www.glasgowlife.org.uk/libraries/business-and-intellectual-property-centre-glasgow>

£250,000 over a three-year period. It provided access to support through a ranked framework model across six key areas shown in the table below:

Table 1: ERDF Phase 1 Programme

Lot	Description
1	Consultancy Service on Growth
2	Consultancy Service on Structure
3	Consultancy Service on Skills and Resource Capability
4	Consultancy Service on Finance
5	Consultancy Service on Resilience
6	Consultancy Service on Innovation

- 3.7 While this model was right at the time of development, there were a number of improvements that could be made to widen the scope and enhance the level of access to specialist support and expertise.
- 3.8 There was also a review of the way in which agencies and organisations collaborated and worked together, specifically Scottish Enterprise, Skills Development Scotland and JBG, discussing ways of harnessing greater collaboration and alignment to ensure a cohesion in the city for SMEs seeking support regardless of their stage on the business life-cycle. Given that the Council commissions services from JBG, there is an opportunity to directly address this and streamline the offer in a way that is co-ordinated and joined up.
- 3.9 This led to the conclusion that phase 2 of the ERDF programme period presented an opportunity to re-shape the level of support available and work in partnership with stakeholders in the city across the public, private and education sectors to deliver a business support offer that was fit for purpose.

4 Social Enterprises

- 4.1 The city is committed to growing the number of social enterprises in the city and was the first local authority to set up a Social Enterprise Board in 2018. The business support review provided an opportunity to ensure that consultation took place across the sector to better understand the unique support needs that are required to support and grow Social Enterprises and engage with the key support providers in the city: Glasgow Social Enterprise Network (GSEN) and JBG.
- 4.2 Working with GSEN, a number of focus group sessions took place with organisations and key stakeholders operating in the sector where the proposed business support programme was presented. There was almost unilateral

agreement that the type of support planned is aligned with the needs of the sector.

- 4.3 In addition, it was agreed that the programme would seek to offer acceleration support for Social Enterprises, a gap in provision not currently provided by First Port or CEiS, the two key providers funded by Scottish Government to deliver support to the sector.
- 4.4 Finally, discussions took place with JBG, who, as mentioned previously, provide specialist business support to Social Enterprises, which includes advice and guidance on setting up a social enterprise, assistance with accessing grant funding and creating links with Just Enterprise⁶, the nationally funded organisation for the provision of support to social enterprises and third sector organisations. There is a strong argument for greater alignment of this provision with the wider Council business support, removing duplication and streamlining services to ensure a more connected and joined up business support service in the city.

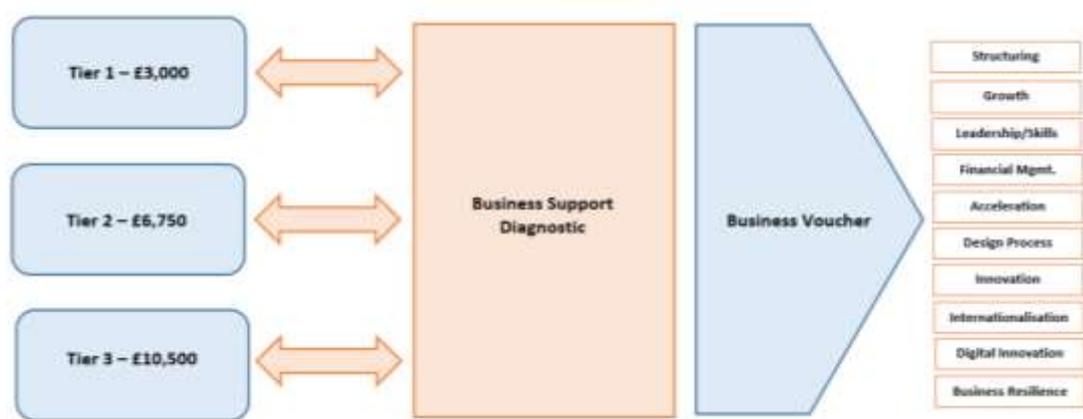
5 Glasgow Business Growth Programme

- 5.1 The vision of the Glasgow Business Growth Programme is: *to create a truly connected and collaborative network that brings together the public, private, education and third sectors to develop and deliver an unrivalled level of support in the UK, one that has the sole objective of growing the city economy in a fair and inclusive way.*
- 5.2 The ambition is to develop an enabling programme of suppliers who can offer access to the right support at the right time for SMEs in order to help them realise their growth ambitions and fulfil their economic potential.
- 5.3 Six key changes were made from the phase 1 ERDF programme:
- i) The introduction of an unranked framework allowing the work awarded to be shared more widely across a number of suppliers. A critical part in the procurement process was to have even greater focus and emphasis on bringing in suppliers aligned with the city's vision in an inclusive way;
 - ii) An increase in the number of suppliers available to ensure a more comprehensive range of support to SMEs in the city. This provides a greater degree of choice and ensures a more diverse and inclusive framework of support;
 - iii) An extended number of Lots to help deliver the broad range of support needs required by SMEs;
 - iv) A fixed daily and half-daily rate to ensure that SMEs are provided with a consistent level of service regardless of the supplier they use.

⁶ More information available at: <https://justenterprise.org/about-us/>

- v) A tiered Business Voucher programme, shown in Figure 2, enabling eligible SMEs access to the framework of suppliers in a way that best suits their growth aspirations; and

Figure 2: Glasgow Business Growth Programme



- vi) Finally, the introduction of an Inclusive Growth Diagnostic tool, an online assessment weighted and scored based on responses, removing subjectivity and rewarding businesses based on their commitment to inclusive economic growth.

- 5.4 The procurement process concluded in November 2019, with the Contracts and Property Committee approving the Business Growth Development Service Framework on 5th December 2019.
- 5.5 A total of 94 suppliers accessed the tender on PCS-T, with 52 suppliers submitting bids against one or more Lots. Appendix A provides details of the successful suppliers across the 10 Lots.
- 5.6 The programme launched in January 2020 and will run until the end of the ERDF programme period, June 2023.

6 Next Steps

- 6.1 The GPEG Business and Enterprise Hub will continue to provide an oversight role ensuring that the new Phase 2 programme is reviewed regularly. This will allow changing market conditions to be considered and the business support tailored accordingly.
- 6.2 In addition, the Council will continually review its approach to business support and endeavour to improve on delivery year on year. In particular, it will continually consider how to improve on the collaborative and connected networks which are being delivered and will work with JBG to enhance the offer and better co-ordinate these services as an inclusive package as part of the city's business support offer.

7 Policy and Resource Implications

Resource Implications:

Financial: £1.9million attributed to the Framework is entirely grant funded from the ERDF. It will be the aim of the Council to use as much of this funding as possible via the Framework in order to support SMEs.

Legal: The report raises no new legal issues.
The Director of Governance and Solicitor to the council will require to conclude the agreement

Personnel: No direct personnel implications for this project.

Procurement: An open tender process took place.

Council Strategic Plan: The award of the Framework, and services provided under it, will help support the Council's 'Strategic Plan 2017-2021', under the following themes:

'A Thriving Economy', priorities 1 and 3.

The strategic aims below will be aided by a larger number of new businesses launching, but then remaining viable and profitable within the city, thanks to services to be provided by suppliers under the Framework.

- A resilient, growing and diverse city economy where businesses thrive.
- Glasgow is rated highly for its business innovation and digital skills.

The Framework will help to create more resilient businesses and create conditions for small indigenous Glasgow businesses to thrive, while at the same time supporting small businesses and encouraging business diversity in local high streets across the city, and continue to support Business Improvement Districts.

A Thriving Economy, priorities 4 and 5.

These priorities were supported within the Framework by applying the undernoted evaluation criteria weightings /conditions:

- Fair working Practices – 5% across all Lots
- Community Benefit – mandatory and voluntary

The deliverables for each of the priorities are listed below within the Sustainability Impact section.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2017-21

The procurement supports the best practice in the procurement of services.

What are the potential equality impacts as a result of this report?

No significant impact identified at this point.

Please highlight if the policy/proposal will help address socio economic disadvantage.

The Inclusive Growth Diagnostic takes into account and rewards business behaviours based on creating opportunities for those furthest removed from the labour market and for those living in areas of multiple social deprivation.

Sustainability Impacts:

Environmental:

The Inclusive Growth Diagnostic takes into account and rewards business behaviours based on businesses addressing the climate emergency and putting policies and practices in place that address generate green outputs.

Social, including opportunities under Article 20 of the European Public Procurement Directive

Of the 31 successful suppliers on the Framework, 10 confirmed that they were signed up to the Scottish Business Pledge, which also covers payment of the Living Wage, as well as other Fair Work Practice criteria.

Article 20 is not applicable.

CPU will work with the remaining suppliers to encourage payment of the Glasgow Living Wage.

Economic:

Suppliers were required to confirm that they would meet the following Community Benefits obligations:

- Business Mentoring for a Social Enterprise, Third Sector Organisation or Supported Business
- Community Benefits for the Framework will be delivered under the above outcome and based on the delivery of consultancy services (as specified in the ITT document) to social enterprises and third sector organisations who have not or would not qualify for the award of a Business Voucher
- The consultancy services to be delivered as Community Benefits will be the same as are delivered by the suppliers under the Framework Lots
- Community Benefits delivery will be mandatory under the Framework agreement, but will be triggered by the reaching of an agreed threshold, as identified at the tender stage, of number of service days awarded to a supplier across all Framework Lots they are appointed to

Summary of offers include: Business Mentoring for a Social Enterprise, Third Sector Organisation or Supported Business, Business Mentoring for a SME, School Mentoring, Pathway Tasters, Financial and Non-Financial support for a Community Project.

Privacy and Data Protection impacts: No data protection impacts identified.

8 Recommendations

8.1 It is recommended that Committee consider the content of this report.

Appendix A – Successful Suppliers

Lot & Description	Supplier	Total Score
Lot 1 - Business Structuring	Harper McLeod	86%
	Martin Aitkin	80%
	Lanarkshire Enterprise Services	78%
	Wylie & Bissett	78%
	First Port	76%
Lot 2 - Business Growth	Harper McLeod	91%
	FirstPort	81%
	Intend Business Development	79%
	Lanarkshire Enterprise Service	78%
	NS Design Ltd	76%
	Russell McLeod	76%
Lot 3 - Leadership, Skills & Resource	Matrix Management Consultancy	75%
	Connect Three Solutions	100%
	Matrix Management Consultancy	84%
	Business Success Partnership	77%
	Blue Ptarmigan	72%
	Strategem	69%
Lot 4 - Business Financial Management	Elevator	68%
	Harper McLeod	91%
	FirstPort	81%
	Martin Aitken	80%
	Wylie & Bissett	73%
Lot 5 - Design Thinking	Elevator	68%
	Filament PD	76%
	Graven Images	74%
	Spreng Thomson	74%
Lot 6 - Business Innovation	Elevator	68%
	Matrix Management Consultancy	80%
	Filament FD Ltd	78%
	Targeting Innovation Limited	76%
Lot 7 - Internationalisation	Elevator	76%
	Glasgow Chamber of Commerce	80%
	Russell McLeod	76%
	Alegrant Ltd	70%
	The Challenges Group	69%
Lot 8 - Digital Development and Innovation	Elevator	68%
	Targeting Innovation	85%
	Lanarkshire Enterprise Services	83%
	NS Design Ltd	81%
Lot 9 - Business Resilience	Elevator	68%
	Blue Ptarmigan	67%
Lot 10 - Business Acceleration	CEIS	88%
	FirstPort	86%
	Strathclyde Business School	81%
	Lanarkshire Enterprise	78%