The Scottish Parliament
Pàrlamaid na h-Alba

Economy, Energy and Fair Work Committee
Comataidh Eaconamaidh, Lùth is Obair Chothromach

Business Support

Contents

Economy, Energy and Fair Work Committee

Remit: To consider and report on economy and fair work matters falling within the responsibilities of the Cabinet Secretary for Finance, Economy and Fair Work; matters relating to the digital economy within the responsibilities of the Minister for Public Finance and Digital Economy, and matters relating to energy falling within the responsibilities of the Minister for Energy, Connectivity and the Islands.
(As agreed by resolution of Parliament on 6 September 2018)

http://www.parliament.scot/parliamentarybusiness/CurrentCommittees/economy-committee.aspx

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Executive summary

1. In 2008 the Scottish Government transferred Business Gateway and local regeneration activities to Scotland's local authorities. With ten years having passed since reforms were introduced, this inquiry sought to explore the effectiveness and efficiency of Business Gateway and hear from businesses about their experiences of accessing support.

2. The Committee wanted to understand the range of support services available to new and existing small and medium sized businesses at a local level across Scotland and we heard that the variety of business support, advice and products available to businesses is a strength of the Scottish system.

3. There is much to be commended in current business support provision, but the Committee has found that opportunities have also been missed to align local and national economic priorities and improve ease of access to services by businesses.

4. Business Gateway has evolved organically and does not perform the function that was initially intended. A decade on from its inception, revisiting this role and purpose of Business Gateway is necessary to improve alignment.

5. The Committee is also concerned about the lack of transparency and accountability in relation to Business Gateway services. In this report we have recommended a number of ways in which this can be addressed, including the publication of regional budget and performance information.

6. As part of this inquiry, we also looked to see if there are lessons to be learned from other countries, where business support is seen to be working well. The approach in Ireland provides a mix of tailored local delivery and national strategic direction, which seems to be more cohesive. In this report we ask the Scottish Government to review the Irish model and consider whether this model, or elements of it, are applicable in the Scottish context to overcome the current accountability and alignment challenges. The Committee believes that such a review is necessary to improve the offer to businesses across Scotland.

   The Committee's summary of conclusions and recommendations is as follows:

Complexity or Clutter? The broader business support landscape

Having a support ecosystem with a variety of tailored products and services is positive, but signposting and co-ordination between multiple stakeholders and partners remains an ongoing challenge. The recent Enterprise and Skills Review warned of duplication and clutter in the business support landscape. The Review did not include Business Gateway. The Committee considers this to be a missed opportunity.

Strategic alignment and accountability

The Committee finds it regrettable that there has been a drift away from the original intended purpose of Business Gateway without any strategic plan or review of Business

Gateway's role. The policy intention for Business Gateway to act as the entry point for businesses seeking business support has not been fulfilled.

Given the policy drift from the original rationale for Business Gateway, the Committee seeks clarification, from the Scottish Government and relevant partners, on Business Gateway's role and remit within Scotland's business support landscape and where accountability for determining Business Gateway's remit sits.

The Enterprise and Skills Review's objective was to drive alignment between the Scottish Government's enterprise and skills agencies. It recommended that a single digital access point should be developed to address some of the concerns about businesses being passed to and fro between the respective agencies, and to streamline the service. This single digital access point is currently being developed and the beta system is due to be introduced in Spring 2019. However, given that the intention for this portal is to act as the access point to business support services, which was originally one of Business Gateway's key roles, it leads us once again to highlight the need for a review of Business Gateway's role within the support ecosystem.

The Committee finds the lack of clarity on the strategic alignment between Business Gateway and the enterprise and skills agencies disappointing. Particularly as a key deliverable action of the 'Enterprise and Business Support' strand of the Enterprise and Skills Review was to '*deliver a joint improvement programme to create a much more coherent and joined up system of support that is focused on business need; developing a single digital access point*'.

The Committee welcomes reports that efforts have been made to improve partnership working between the agencies and Business Gateway. However, there is still not sufficient evidence to suggest that these actions will overcome the accountability and alignment challenges that we have highlighted.

The Irish Model

The Committee has already noted the lack of transparent accountability and alignment in the current Business Gateway structure. We note that the approach in Ireland provides a mix of tailored local delivery and national strategic direction, where Enterprise Ireland takes a strategic lead and holds local authorities accountable. The Irish model has evolved from a situation similar to the current Scottish context and appears to us on initial examination to deliver alignment and accountability.

The Committee asks the Scottish Government to review the Irish model and consider whether this model, or aspects of it, are applicable in the Scottish context to overcome

the current accountability and alignment challenges. The Committee asks to be updated on the progress and outcome of this review.

Targets and performance

The Committee notes evidence that local authorities are responsible for setting their own Business Gateway targets. There is no reporting on what these targets are, performance against targets or spend on Business Gateway services. The Committee finds this unacceptable. The Committee notes that in Ireland each Local Enterprise Office publishes local targets, priorities and spend. The following recommendations should be considered within the context of our earlier recommendation that the Scottish Government investigate the applicability of the Irish model in the Scottish context.

The Committee recommends that Business Gateway has core targets that align with the strategic direction of the Scottish Government's national priorities and Economic Plan. Additional targets should also be set to reflect local economic circumstances.

The Committee recommends that Business Gateway review the current key performance indicators and targets in collaboration with stakeholders such as FSB and Chambers of Commerce and the analytical unit. There must be external input to ensure that targets are sufficiently challenging and ambitious.

Targets should reflect a desire for continuous improvement. Fundamental to setting targets is embedding a clear sense of what is to be achieved. These factors should be forefront in Business Gateway's evaluation of the KPI and target framework.

The Committee recommends that there should be external monitoring of Business Gateway's performance against targets by an independent body. The Committee seeks clarity on whether the analytical unit could offer its assistance in analysing Business Gateway's performance data.

As outlined above, there is no regularly published information on targets, performance against targets and budget allocation for Business Gateway at local authority level; we are deeply concerned by this lack of transparency.

The Committee recommends that local authority level Business Gateway targets are published alongside an annual report to bring clarity and transparency to the local authority policy decisions behind these targets. It is vital the local circumstances are reflected as direct comparisons between local authorities will not always be appropriate.

We do not want to create a 'league table' of performance but there is a clear need for improved transparency and accountability.

Feedback and quality assurance

The Committee welcomes the work being done to monitor client satisfaction with Business Gateway's services and the systematic way in which this is carried out. It is vital the lessons learned from client feedback are incorporated into consideration of targets and key performance indicators as part of a process for continual improvement.

Business Gateway budget

As with target and performance information we found a lack of transparency in relation to Business Gateway budgets. We find it unacceptable that financial information on Business Gateway is not recorded and published in a consistent manner across local authorities. We believe that each local authority should publish its spend on Business Gateway alongside what the focus and priorities are for that spend.

The Committee notes the variance in spend on Business Gateway services in different areas across the country. The overall spend has not increased in the last decade. We believe that the Business Gateway budget must be scrutinised; however, such scrutiny cannot be done in the absence of published information.

The Committee calls on the Scottish Government to update Local Financial Return Guidance to include how expenditure on Business Gateway should be recorded and bring consistency to these statistics.

As outlined above, alongside target and performance information, the Committee recommends that Business Gateway spend should be published by each local authority in an annual report. This would allow regular scrutiny of the Business Gateway expenditure to ensure accountability and value for money.

European Regional Development Fund (ERDF)

The Committee recommends that alongside the regional breakdown of annual spend on Business Gateway services, additional services and programmes being funded through other money, such as ERDF, should also be quantified. The impact of the withdrawal of ERDF should be monitored and reflected in local authority budget decisions.

We said in our conclusions on the inquiry on European Structural and Investment Funds that the current allocation to Scotland under ESIFs should be considered the baseline for future funding levels under the UK Shared Prosperity Fund. We re-iterate that recommendation here and highlight the importance of this funding in delivering local business support services.

Local specialism or inconsistency? Regional variation in Business Gateway services

The Committee agrees that local discretion is important in delivering a tailored geographical service, but there is scope for there to be greater sharing and main-streaming of best practice. This would help overcome some of the alignment challenges highlighted in this report.

The Committee notes the evidence that Business Gateway could do more to share information and that there needs to be better collaboration between Business Gateway providers. The Committee asks the Business Gateway National Unit to consider how best to connect Business Gateways across all the regions of Scotland to share best practice.

Business Gateway advisers

The Committee is aware that business support is an evolving area of expertise. Continuous learning will be required if advisers are to keep up to date with developments.

The Committee recommends that the Business Gateway National Unit should implement a continual professional development programme to refresh training and up-skill staff.

The Committee also recommends that the Business Gateway National Unit implements a forum for peer-to-peer learning and sharing of best practice between advisers. This would encourage further alignment and collaboration in line with recommendations set out above.

The enterprise culture

The Committee recommends that the Scottish Government, and relevant partners, develop a more collaborative and coordinated programme of activities to support and further develop a culture of enterprise in Scotland. In particular, the Committee would like to see activities where there is greater coordination and integration between those

working at a national level (e.g. enterprise agencies) and a local level (e.g. local authority economic development). This recommendation should be considered within the context of our earlier recommendation for the Scottish Government to investigate the applicability of the Irish model in the Scottish context.

Diversity

There are good examples of initiatives being undertaken by Business Gateway, and others, to address under-representation among business owners. However, the approach to mainstreaming equalities across the service must be improved. The Committee recommends that specific modules on diversity are included in the Premier Adviser Training Programme.

The Committee recommends that a strategic approach to targeting and measuring engagement with under-represented groups is required. The indicators needed to monitor inclusivity should also be reviewed. The Committee asks the Scottish Government for clarity on how this will be achieved.

The Committee notes that pre-existing support packages are not suitable for all service-users and there is a requirement for a range of tailored programmes.

The Committee recommends that the enterprise agencies should work with Business Gateway to develop campaigns designed to engage people from under-represented groups in the business support system.

The Committee recommends that the Scottish Government creates a National Head of Women in Business to coordinate national policy and work towards the establishment of a National Women's Centre for Business.

The Committee recommends that in future work undertaken to streamline pipeline support, emphasis is placed on improving representation among companies receiving public support.

The Committee highlights its previous recommendation in its Gender Pay Gap inquiry report that:

> *The Committee asks the Scottish Government and its agencies to review the funding streams available to new and existing female entrepreneurs. Of particular concern to the Committee is the suggestion that male entrepreneurs are more successful in accessing capital than females. It is important to establish whether this has been the experience of female-owned account managed companies and Business Gateway clients, and recommends that Scottish Government and its agencies undertake research in this area.*

The Committee seeks clarification from the Scottish Government on what work is being undertaken throughout the education system and within the Curriculum for Excellence and by Youth Enterprise Scotland to encourage entrepreneurship. The Committee also requests further information on the impact that this is having.

Collaborators or competitors? The wider business support eco-system

The Committee notes that there are a range of organisations engaged in supporting businesses in Scotland and that collaboration is key to success. This is working well in some areas and there is room for improvement in others. We note the practical steps which could be taken (such as ensuring that clients have named contacts) and we would support these ways of working.

As set out previously, the Committee notes the alignment and collaboration achieved between both local and national levels in the Irish model and asks the Scottish Government to investigate how this can be replicated in Scotland to address the issues outlined in this section of the report.

Stakeholder engagement and relationships

As set out above, the Committee believes that the accountability issues around Business Gateway as a national programme funded by the Scottish Government are unacceptable. We ask the Scottish Government to clarify the accountability structure for Business Gateway. Here we reference the questions raised by the FSB in evidence:

> *One of the ultimate questions that has come up consistently about delivery is this: if we believe that there is inconsistency and that we are not, in an area, getting the service that we think we should be getting, who do I go to about that? Who do I speak to in COSLA? What will it do? What is the Scottish Government going to do? Is the local authority going to do something? The sanctions for failure to meet contract are completely unclear to me.*

The Committee is aware of the expertise that exists within business representative groups such as FSB and Chambers of Commerce; they are well placed to advise the

service providers what support businesses need and to give feedback with an aim to continuous improvement of Business Gateway services. Direct client engagement and feedback also has a valuable role to play.

The Committee recommends that the Business Gateway Stakeholder Group is re-established to encourage collaboration and wider alignment.

Role of regional hubs

The Committee recognises the benefits of stakeholder collaboration and regional centres of entrepreneurship. We believe that local Business Gateway offices should look for opportunities to improve collaboration with stakeholders, be it through co-location or other means, and learn lessons from best practice models. Again, this would encourage the alignment that is needed in the delivery of support to businesses across the country.

SME access to finance

The Committee notes evidence that some businesses are not aware of the options available for funding and that knowledge of business finance can be limited for those starting out in business. The Committee asks the Business Gateway National Unit to consider its offer in relation to funding and finance and how this could be improved to address these concerns.

Introduction

Context and background

7. In 2018, it was ten years since the Scottish Government transferred Business Gateway and local regeneration activities to Scotland's local authorities, whilst also abolishing local enterprise companies. The reason given for this transfer was that Business Gateway provides advice to start-ups and local businesses serving mainly *local* markets: "it is appropriate that it should be delivered by local authorities with whom these businesses already interact on a range of local issues". [1]

8. Since April 2008, Scotland's enterprise agency business support, from Scottish Enterprise and Highlands & Islands Enterprise, has mainly focused on companies with the greatest perceived potential for growth, including those working in areas identified by the Scottish Government as "growth" sectors. Neither this Committee nor its previous incarnation, the Economy, Energy and Tourism Committee, have thoroughly reviewed business support structures in recent years.

9. With ten years having passed since reforms were introduced, now is a good time to explore the effectiveness and efficiency, as well as the various experiences, of Scotland's business support provision.

10. Furthermore, during our 2018 inquiry into *Scotland's Economic Performance*, we heard that stimulating the number of businesses starting-up in Scotland is important to economic growth. We also took evidence on the growth pipeline and challenges faced by companies who were seeking to scale-up quickly as well as those who did not meet the required criteria to be eligible for public sector agency support.

11. We looked more closely at the enterprise agencies spend as part of our scrutiny of the Draft Budget 2018/19, which revealed gaps in business support, despite a cluttered landscape of programmes and services. These pieces of work led us to believe that a more thorough look at the business support landscape was required.

12. Given the above context the Committee agreed to hold an inquiry focusing on Scotland's business support services with the following remit:

    "To understand the range of support services available to new and existing small and medium sized businesses at a local level across Scotland, with a particular focus on Business Gateway. The Committee will evaluate current provision and explore ways of ensuring businesses receive the support they need to grow and succeed."

Characteristics of business base

13. To successfully deliver the remit of this inquiry, it was important to understand the trends and characteristics related to Scotland's business base, as businesses are the key drivers of GDP and employment in our economy. Thus, it is imperative they receive the correct support offer.

Figure 1: Scotland's business stock 2000-2018
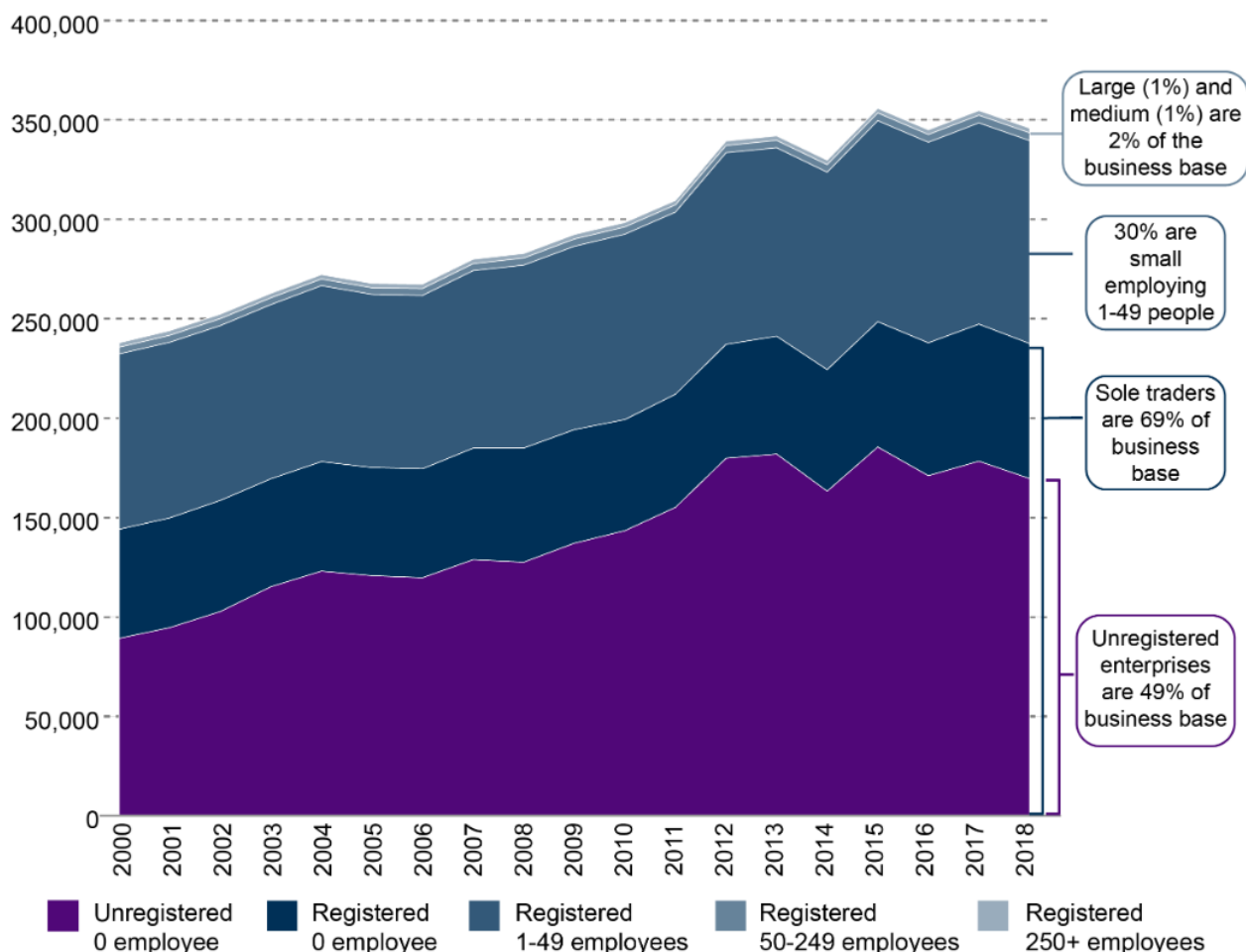
Source: SPICe Spotlight Blog, 2018 SPICe Spotlight Blog, 2018[1]

14. There were 345,915 private sector businesses (registered and unregistered and excluding central and local government) operating in Scotland in 2018 - a fall of 8,830 (-2.5%) since 2017 but still relatively high, as the third highest stock figure in the series back to 2000. Characteristics of the business base in Scotland as demonstrated in Figure 1 include:

     • Unregistered enterprises are sole proprietorships and partnerships that are not large enough to be VAT registered and are not PAYE registered. These represent approximately one in two of every enterprise.

     • Sole traders (which can be registered and unregistered depending on VAT levels) are 69% of the business stock.

     • Medium (50-249 employees) and large (250+ employees) make up just 2% of the business base.

15. Scotland represents 6% of the UK's total private sector business base of 5.67 million enterprises. Scotland's business stock share lags behind Scotland's UK population share of 8.4%. Since 2000 the growth rate of the UK's business base has generally surpassed that of Scotland. Between 2001 and 2004, Scotland outperformed the UK. However, this was followed by a period of under-performance relative to the UK from 2006 to 2011. The years 2012 and 2013 saw an uplift in
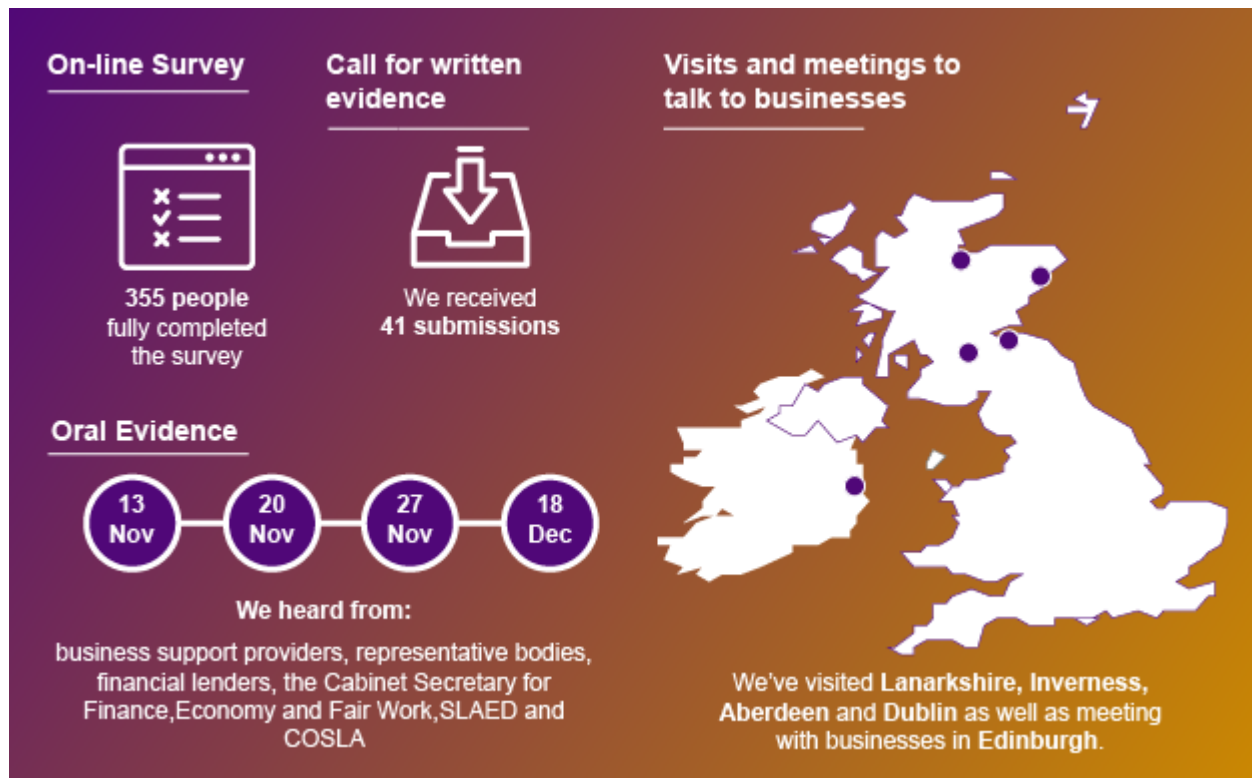
Scotland's performance. The last five years (2014 to 2018) have seen a changeable Scottish business growth rate, in contrast to almost constant sustained growth at a UK level. However, it is important to note here that the dominant position of London in the UK economy can skew UK performance figures.

16. New business registrations are referred to as "business births", and the birth rate is calculated using the number of births as a proportion of active businesses. Businesses that have ceased to trade - identified through de-registration of the administration units, that is VAT and PAYE - are referred to as business deaths. The death rate is calculated using the number of deaths as a proportion of the active businesses.

    • Scotland had 21,565 business births in 2017, resulting in a birth rate of 11.9% (a decrease from a rate of 12.5% of the previous year). The number of Scottish business deaths increased by 8% from 18,880 to 20,340 between 2016 and 2017, giving a death rate of 11.2%.

    • Negatively the gap between business births and deaths has been decreasing since 2014, mirroring a similar trend across the UK. In 2013, businesses were born at a rate which was 4.1 percentage points higher than the death rate, by 2017 this gap had fallen to 0.7 percentage points.

17. Scotland's business survival rates were above the UK average across all categories in the 1-year to 5-year survival rates. The Scotland 5-year survival rate for businesses born in 2012 and still active in 2017 was 43.7% – this was above the UK average of 43.2%. Scotland was ranked first out of the UK's 12 regions for 2-year and 3-year survival rates. Since 2012, the region with the highest five-year survival rate has been the South West at 45.8%. The region with the lowest five-year survival rate was London at 39.3%.

18. The statistics reveal a mixed performance in terms of business base characteristics. Scotland has relatively higher business survival rates and lower business death rates, in comparison to UK averages. However, some of the statistics indicate a relatively poor performance in terms of growing the business base and the business birth rate. This poses questions about the nature of entrepreneurial support policy, which were explored as part of this inquiry.

Inquiry engagement

19. For this inquiry, it was essential to hear direct from businesses about their experiences of accessing support. We launched an online survey, targeted at SMEs, to garner views on Business Gateway and Scotland's wider business support landscape. In total, 355 people fully completed the survey.

20. We received 41 submissions in response to our call for written evidence – 27 from local authorities and 14 from a variety of organisations across Scotland's business support ecosystem. We took oral evidence on 13, 20 and 27 November, and 18 December 2018 and heard from a range of business support providers, representative bodies, financial lenders, the Cabinet Secretary for Finance, Economy and Fair Work, Scottish Local Authorities Economic Development Group (SLAED) and the Convention of Scottish Local Authorities (COSLA).

21. Committee members have undertaken visits and meetings to talk to businesses and gain insight into different business support models. We have visited Lanarkshire, Inverness, Aberdeen and Dublin as well as meeting with businesses in Edinburgh. We would like to thank all of these businesses and organisations for the welcome we received and for the valuable input they gave to our inquiry. We would also like to thank everyone who supported the inquiry by providing evidence or completing the survey.

On-line Survey

355 people fully completed the survey

Call for written evidence

We received 41 submissions

Oral Evidence

13 Nov — 20 Nov — 27 Nov — 18 Dec

We heard from:
business support providers, representative bodies, financial lenders, the Cabinet Secretary for Finance,Economy and Fair Work,SLAED and COSLA

Visits and meetings to talk to businesses

We've visited **Lanarkshire, Inverness, Aberdeen** and **Dublin** as well as meeting with businesses in **Edinburgh**.

Source: SPICe Data Visualisation

Complexity or clutter? The broader business support landscape

22.   The Committee's focus in this inquiry was Business Gateway services, but these services cannot be considered in isolation and we took a range of evidence on the ecosystem within which Business Gateway operates. Complaints of a confused and cluttered business support landscape are long-standing and were influential in the thinking behind establishing Business Gateway over a decade ago; a body designed to steer businesses through the multitude of programmes and services on offer.

23.   2018 marked a decade since delivery of Business Gateway passed to local authority control and despite its intended purpose to help businesses navigate the confused landscape, a myriad of programmes, services and providers remain, which continues to be confusing for many businesses. These include: a range of enterprise agency interventions, city deals, private sector offerings, growth deals and regional partnerships. Beyond the economic development services offered at a local level by local authorities, the wide range of business advice and support provided by public, private and third sector partners was seen as an advantage and disadvantage to the current system. In written evidence, the Scottish Chambers of Commerce wrote that Scotland has an enviable level of support for developing businesses. However:

> businesses could find themselves in a position where their route to support is somewhat unclear, despite the relatively well formed entrepreneurial ecosystem in Scotland. The Scottish Entrepreneurial Ecosystem Guide...acts to illustrate just how fully-formed and diverse the entrepreneurial support system is in Scotland. This is a significant strength, but without clearly signposting and collaboration between all of these bodies, finding the right route to support can be frustrating for firms in need of advice. [2]

24.   In our call for evidence, we asked 'what sources of advice, funding and support are available at a local level?' Responses to this question highlighted a variety of organisations, programmes and support products, as we have illustrated in Figure 2 below. We did not explore these sources in detail during this inquiry.

Figure 2

Public, private and third sector business support providers and products referenced in written submissions received by the Committee.

25.   According to Andrew Dickson from Business Loans Scotland:

> There have been a number of initiatives recently with more financial products out there, but I am not sure whether we are totally aware of what one another is doing, and that is certainly the case for the understanding by small and medium-sized businesses about what is available. [3]

26. We spoke to businesses who found identifying suitable services time consuming and confusing, but others felt it was an inevitable part of running a business, as outlined by a survey respondent:

> No one organisation can satisfy all types of support. 'Formal/official' advice and support should always be supplemented with informal, peer support from networking contacts and mentors. [4]

27. Among survey respondents, almost all Business Gateway users had used a range of business support, with just 2% reporting sole use of Business Gateway. Other primary sources identified were general internet search (59%), networking events (52%), advice from peers and competitors (51%), and an accountant (45%). Some respondents highlighted the importance of having access to a variety of support as different sources have different strengths. [5] As Fiona Godsman, from Scottish Institute for Enterprise told the Committee "mess is not always a bad thing. It can be a good thing." [6]

28. **Having a support ecosystem with a variety of tailored products and services is positive, but signposting and co-ordination between multiple stakeholders and partners remains an ongoing challenge. The recent Enterprise and Skills Review warned of duplication and clutter in the business support landscape. The Review did not include Business Gateway. The Committee considers this to be a missed opportunity (as discussed later in the report).**

Background, roles and responsibilities of Business Gateway

Background

29.   It is within this complex landscape of business support services that Business Gateway was introduced as a "first stop access for businesses of all sizes." This aimed to improve signposting and, as the name suggests, provide a gateway to all business support. [7]

30.   Between 1991 and 2007 the enterprise agencies operated largely through a decentralised structure of Local Enterprise Companies. When Business Gateway was introduced in 2003, it was also initially delivered by this network of Local Enterprise Companies, as an extension to the Small Business Gateway. After 2008, Local Enterprise Companies were replaced with a regional model for enterprise support and responsibility for the delivery of Business Gateway was transferred to local authorities. This ownership by councils aimed to achieve more local delivery of services and better local accountability. It also hoped to better integrate business support with other local authority services, such as planning, environmental health, consumer and trading services, tourism and community planning.

31.   Initially Scottish Enterprise retained responsibility for management of the Business Gateway website and enquiry service, as well as responsibility for quality assurance, marketing and performance reporting. In 2009 these functions transferred to COSLA.

32.   The Business Gateway contracts awarded in 2007 were let on the basis of the Local Enterprise Company areas as they were the lead delivery agents at the time. This meant that when delivery passed to local authorities in the Scottish Enterprise areas in 2008, some inherited responsibility for a contract that covered a wider area than the local authority. For example, the City of Edinburgh Council manages the contract for the former Edinburgh and Lothian area, which covers West Lothian, East Lothian and Midlothian. In 2009, the Business Gateway service was introduced for the first time in the Highlands and Islands area, with each local authority as a delivery agent. As a result, there are 18 lead local authority areas co-ordinating service delivery of Business Gateway on behalf of the 32 local authorities.

33.   The following table illustrates Business Gateway regions, lead local authority arrangements and the delivery model deployed in the Scottish regions. Most Business Gateway services are delivered in-house by local authorities, six are contracted, three blended, and one is delivered via an arm's length organisation.

Business Gateway geographies and delivery models

Business Gateway region	Lead Local Authority	Areas covered	In-house or contracted out?
Aberdeen City and Shire	Aberdeenshire Council	Aberdeenshire CouncilAberdeen City Council	Contracted - Elevator
Ayrshire	North Ayrshire Council	North Ayrshire Council (incl. Arran and Cumbrae)East Ayrshire CouncilSouth Ayrshire Council	In-house by each local authority
Borders	Scottish Borders Council	Borders	In-house by each local authority
Dumfries and Galloway	Dumfries and Galloway Council	Dumfries and Galloway	In-house by each local authority
Dunbartonshire	West Dunbartonshire Council	West Dunbartonshire CouncilEast Dunbartonshire Council	In-house by each local authority
Edinburgh and Lothians	City of Edinburgh Council	City of Edinburgh CouncilWest Lothian CouncilEast Lothian CouncilMidlothian Council	In-house by each local authority
Fife	Fife Council	Fife	Arm's length organisation
Forth Valley	Falkirk Council	Falkirk CouncilStirling CouncilClackmannanshire Council	Falkirk: in-house Stirling: contracted to STEPClackmannanshire: contracted to CETERIS
Glasgow	Glasgow City Council	Glasgow	In-house
Lanarkshire	North Lanarkshire Council	North Lanarkshire CouncilSouth Lanarkshire Council	Contracted: Lanarkshire Enterprise Services Ltd
Renfrewshire	Renfrewshire Council	East Renfrewshire CouncilRenfrewshire CouncilInverclyde Council	East Renfrewshire: Contracted to CJM Accountancy Renfrewshire: in-house
Tayside	Dundee City Council	Dundee City CouncilPerth and Kinross CouncilAngus Council	Contracted - Elevator
Highland	Highland Council	Highland	Blended delivery via in-house advisers and contracted workshop and specialist advisers
Moray	Moray Council	Moray	In-house
Argyll and Bute	Argyll and Bute Council	Argyll and Bute	In-house
Western Isles	Western Isles Council	Western Isles	Blended delivery via in-house advisers and contracted workshop and specialist advisers
Orkney Islands	Orkney Islands Council	Orkney Islands	Blended delivery via in-house advisers and contracted workshop and specialist advisers
Shetland Islands	Shetland Islands Council	Shetland Islands	In-house

34.   In total, there are 57 Business Gateway offices in Scotland employing 356 people, including 177 business advisers. The national call centre and research service (the 'Enquiry Fulfilment and Research Service') employs a further 40 people (full-time equivalent). The Business Gateway National Unit is based within COSLA and employs 10 people. It provides national functions to support local authorities on the delivery of services at a local level. These functions include marketing, performance monitoring and reporting, quality assurance, client monitoring survey and partnership management.

35.   In addition, Scottish Enterprise is a strategic partner with responsibility for resourcing some of the core services used by Business Gateway including a customer relationship management system. Scottish Enterprise also provide a range of universal and specialist products that Business Gateway clients can access such as innovation support. Business Gateway also works in partnership with Highlands and Islands Enterprise.

36.   In this inquiry, we were very much focused on the current delivery model of Business Gateway, which has existed in Scotland for the last decade.

Roles and responsibilities

This table explains the roles of the organisations responsible for the delivery, management and oversight of Business Gateway services.

Organisation	Membership	Responsibility
Local Authorities		Day-to-day management of Business Gateway (BG) contracts and/or in-house delivery
Business Gateway Board	COSLA, SLAED, SOLACE	Strategic leadership and recommendations on overall direction of the BG service
Business Gateway National Unit (BGNU)	COSLA employees	National responsibility for marketing, performance reporting and quality assurance; secretariat functions to the BG Board; support to local authority BG managers and local contractors
Business Gateway Operational Network (BGON)	12 lowland lead local authorities with responsibility for contract management and six Highland local authorities	Meet monthly as a group to discuss operational matters. Refer recommendations and issues to the BG Board
Scottish Local Authorities Economic Development Group (SLAED)	Senior officials from economic development teams across all Scottish local authorities	Assisting and supporting COSLA on operational and practitioner matters
Scottish Enterprise		Management of the BG enquiry service (Enquiry Fulfilment and Research Service - EFRS). Provision of shared CRM system. Provides support products/services which BG clients can access

37.   Over time, the structure of key stakeholders involved in governance of Business Gateway has changed, and some groups no longer exist. On establishment:

- The Board was made up of COSLA, SLAED, Scottish Enterprise, Highlands and Islands Enterprise and the Scottish Government. (The current structure has political representation from local government but not the Scottish Government or the enterprise agencies).

- There was a Business Gateway contractors' forum for contractors to share experiences and best practice. This no longer exists.

- There was also a Business Gateway external stakeholder group for private sector stakeholders to engage with public sector agencies involved in delivery of business support. This no longer exists.

38.   Following a review of the service in 2014 the Business Gateway service is governed by a Board comprising of 11 Local Government members selected by COSLA's

political groups and chosen to provide a political, geographic and gender balance. The current Board was appointed in April 2018. The Board is also supported by officers from the Business Gateway National Unit (BGNU), SLAED, Society of Local Authority Chief Executives (SOLACE) and the Business Gateway Operational Network (BGON).

39.   The Business Gateway Board has the following remit:

- To develop policy and strategic direction for the development of Business Gateway services throughout Scotland;

- To annually agree the Operating Plan, priorities, budget and delivery targets for the network and Business Gateway National Unit;

- To ensure national priorities for Business Gateway are based on robust evidence and statistical analysis compiled collaboratively via SLAED and market research undertaken by the National Unit;

- To ensure that Business Gateway policy and services are aligned with wider local authority economic and business development services;

- To scrutinise performance against the Business Plan and, specifically, the key performance indicators;

- To monitor spend throughout the year, agreeing budget revisions as necessary;

- To oversee work on co-ordination of the national priorities and ensure the service is consistent and delivered to a high standard;

- To seek to maximise the financial resources available to Business Gateway;

- To report as necessary to and through the appropriate COSLA governance arrangements (in the main this being the Environment and Economy Board)[i];

- and to consider and agree the most appropriate location and management arrangements for the National Unit.

40.   COSLA's Political Group Leaders January 2018 paper suggested that the new Board will want to consider its various support arrangements and in particular how best Business Gateway engages with external stakeholders including Scottish Enterprise, Highlands and Islands Enterprise, Scottish Government, Social Enterprise Scotland, Federation of Small Businesses and Scottish Chambers of Commerce and it is suggested that an External Stakeholder Group might be re-established at an early date.[ii]

41.   The Business Gateway National Unit also currently works closely with the Business Gateway Operational Network to co-ordinate operational delivery and to agree a shared service specification. However, the need for local variation and flexibility is recognised as is the need to respond to local circumstances. The COSLA paper suggests moving forward the Business Gateway Operational Network could also

[i] COSLA, About the Environment and Economy team webpage: http://www.cosla.gov.uk/about/how-we-work/environment-and-economy
[ii] COSLA's Political Group Leaders paper, January 2018

report to the SLAED Business Group which will help advise on policy and the integration of Business Gateway activity into wider local economic development services. During evidence Hugh Lightbody, Chief Officer of the Business Gateway National Unit in COSLA explained:

> The National Unit and operational network meet monthly to look at performance and what is happening; to consider common issues and challenges that we might all share, and what we might want to do about them; to update each other on opportunities; and to discuss things that have come up over the past month, such as approaches from other organisations and partners about what they want us to do. [8]

42.   Furthermore, COSLA explained:

> we review through the operational network how areas are performing against that specification, and if any issues show up through quality assurance or whatever, we discuss those and help areas to try to resolve them. Such issues are also raised with and discussed by the Business Gateway board. [9]

43.   However, despite this restructuring Lanarkshire Enterprise Services Ltd (LESL), who are contracted to deliver Business Gateway services in the Lanarkshire area, still feel that the governance model "looks questionable in terms of its effectiveness and efficiency." [10] These governance arrangements, as well as collaboration between local and national government and external stakeholders were of interest to us during this inquiry.

Strategic alignment and accountability

Original remit and policy drift

44.	Despite the intended purpose for Business Gateway as an entry point for businesses to access all services, some witnesses noted a lack of commitment by other parts of the public sector to support Business Gateway as the first stop shop for business support.

45.	With regard to duplication and complexity, Pamela Stevenson from SLAED told us:

> we continue to be faced with clutter on a daily basis. Only last week, the Scottish Government launched three new initiatives, none of which was referred through Business Gateway. We have challenges on our hands. If national activity continues to be launched without consultation with local authorities and our gateway services, we will continue to face such challenges. We are up for discussions. We want to have a service that declutters, demystifies and makes it easier for businesses to do business at a local level but, to bring that about, we need to be at the table and to be respected as a local authority agency across Scotland. [11]

46.	Susan Love from FSB highlighted that Business Gateway's role as a gateway had been envisaged, but not borne out in practice. She said:

> I have not seen a commitment from other parts of the public sector to support Business Gateway as a gateway. Most agencies have been preoccupied with their own brands and programmes…the Scottish Government has not helped with that by funding a lot of additional programmes. [12]

47.	For COSLA there has been a shift in this intended aim for Business Gateway. What was initially imagined as a one-stop-shop is now one of many methods of support in a broader public sector offering where, as was highlighted in the Enterprise and Skills Review, there should be "no wrong door." Hugh Lightbody, from the Business Gateway National Unit, said:

> We agree with the review's findings, but can understand why businesses are left confused when, even among the public sector agencies, there is competing voices. [13]

48.	Matt Lancashire of SCDI told us that there should not be an isolated approach between the agencies and Business Gateway:

> ...there should be an alignment between what the agencies are doing and what Business Gateway is doing in order to provide the best support for a business. That alignment piece is critical. [14]

49.	In its submission COSLA also noted the uneasy mix of national and local priorities:

> 🔲 The enterprise agencies are gatekeepers to the additional support available in the Growth Pipeline and Account Management, but the national priorities placed on them by National Government do not necessarily fit with those relevant to Local Government which has a greater focus on local priorities. [15]

50.   We found that competing ambitions and policies as well as the sensitivities around local and national governance have, at times, stood in the way of collaboration and led to conflicting priorities. On occasion this has had a detrimental impact on businesses seeking support. When we visited Highland Bioscience who are based outside Dingwall, Directors Emma and Richard Day told us:

> 🔲 It can feel like you're being passed between the different business support agencies who all offer similar services. [16]

Business case study - Bad Girl Bakery

> Members also met with Bad Girl Bakery in Muir of Ord who told us that they are hoping to expand into a second bakery in Fort William as they have reached capacity at their current site. Despite being a high growth business they have not received support from Highlands and Islands Enterprise. They believe that HIE might be concerned about potential displacement of local jobs and have mislabeled Bad Girl Bakery as a retail sector business, which is not one of the Scottish Government's Growth Sectors. They feel that Business Gateway and HIE have different aims when it comes to supporting their business. [17]

51.   **The Committee finds it regrettable that there has been a drift away from the original intended purpose of Business Gateway without any strategic plan or review of Business Gateway's role. The policy intention for Business Gateway to act as the entry point for businesses seeking business support has not been fulfilled.**

52.   **Given the policy drift from the original rationale for Business Gateway, the Committee seeks clarification, from the Scottish Government and relevant partners, on Business Gateway's role and remit within Scotland's business support landscape and where accountability for determining Business Gateway's remit sits.**

Absence of alignment with the Enterprise and Skills Review

53.   The Enterprise and Skills Review's objective was to drive alignment between the Scottish Government's enterprise and skills agencies. One of the nine projects that make up Phase 2 of the Enterprise and Skills Review focuses on 'Enterprise and Business Support'.

54.   Business Gateway was not explicitly included in the Enterprise and Skills Review, as former Economy Cabinet Secretary Keith Brown reminded the Committee in December 2017:

> Business Gateway is still, if you like, off to one side. We quite deliberately did not include Business Gateway in the review, because it delivers through local authorities; it is its own body with its own mandate. [18]

55. Key deliverable actions from the 'Enterprise and Business Support' Phase 2 Enterprise and Skills Review Report published in June 2017 included:

- delivering a joint improvement programme to create a much more coherent and joined up system of support that is focused on business need;

- developing a single digital access point;

- working with the ONS to develop and deliver a single, authenticated business ID to facilitate the joining up of support between organisations;

- piloting, and if successful rolling-out, a Business Box for companies;

- undertaking specific research on the behaviour and motivation of businesses in terms of 'ambition, innovation and productivity';

- and tackling the gender gap across start-ups and growth companies.

56. **As highlighted above, the Enterprise and Skills Review recommended that a single digital access point should be developed to address some of the concerns about businesses being passed to and fro between the respective agencies, and to streamline the service. This single digital access point is currently being developed and the beta system is due to be introduced in Spring 2019. However, given that the intention for this portal is to act as the access point to business support services, which was originally one of Business Gateway's key roles, it leads us once again to highlight the need for a review of Business Gateway's role within the support ecosystem, as per our recommendation in the previous section.**

57. For Fiona Godsman from the Scottish Institute for Enterprise:

> To say that there are specific things for which Business Gateway alone is responsible is one of the biggest challenges. [19]

58. Liz Cameron from Scottish Chambers of Commerce agreed that the roles of each support service have become confused:

> We also need to revisit what the role of the Business Gateway organisations could be. We are focusing on start-ups, but Business Gateway, Scottish Enterprise and Highlands and Islands Enterprise also focus on growth companies, as will the new South of Scotland Enterprise Agency. That is duplication for business. I do not like the word signposting, but if I am a growing company, do I go into Business Gateway? Will it then direct me to Scottish Enterprise or someone else? A discussion needs to take place about who, ideally, will focus on the local delivery element, whether that is start-ups or growth. [20]

59. When we questioned the Cabinet Secretary for Finance, Economy and Fair Work on this point, he said:

> No, I would not say that Business Gateway should be the single access point. Some businesses or entrepreneurs will go to Business Gateway, but others might go to Scotland can do, Highlands and Islands Enterprise or Scottish Enterprise. However, we should have a single portal or point of entry, and we are absolutely working towards having that coordination. It must have the necessary and relevant signposting. The essence of your question was whether Business Gateway should be part of that national coherence, and I think that it should. However, I would not leave it with Business Gateway. [21]

60. Beyond these specific issues about the single digital access and the resulting implications for the role of Business Gateway, for many witnesses Business Gateway's lack of inclusion in the Scottish Government's Enterprise and Skills Review was a missed opportunity, where clarity on this strategic alignment between Business Gateway and the enterprise and skills agencies could have been sought.

61. Despite not formally being included, Hugh Lightbody from the Business Gateway National Unit said that local government continues to work in collaboration with the agencies to address the findings of the Enterprise and Skills Review. [22] Pamela Stevenson told us SLAED had "gatecrashed the process" and are "now very well embedded in the enterprise review." [23]

62. Pamela Stevenson from (SLAED) said:

> We often ask why local authorities are never consulted by the Scottish Government when we are asked to deliver 90-odd per cent of the marketplace. That is a question that we ask ourselves daily. We strive to work nationally and to have one voice—we have designed SLAED in an effort to make that happen. Our lack of involvement in the enterprise review was very disappointing from a SLAED perspective; I cannot talk for individual authorities. [24]

63. As implementation of the Enterprise and Skills Review recommendations continues to progress, more important than Business Gateway's original involvement is how Business Gateway is consulted during implementation to avoid duplication and achieve a holistic approach to better support businesses.

64. Despite witness accounts of the Scottish Government adding to confusion by not consulting with Business Gateway, the Cabinet Secretary for Finance, Economy and Fair Work told us, "I can see only good coming from closer alignment with Business Gateway." [25]

65. According to Nora Senior, Chair of the Enterprise and Skills Strategic Board, [26] work has begun to improve strategic alignment between Business Gateway and the agencies, particularly with regards to businesses traversing through the pipeline. Nora Senior explained that the Strategic Board wants the pipeline to be much bigger, which relies on collaboration between the local authorities and the enterprise agencies. She said that Business Gateway and SLAED were invited to the Strategic Board meeting in November 2018 to discuss how greater cohesion could be achieved:

> Businesses start off through the Business Gateway, but we need better cohesion and better customer experience so that businesses move through the system at the right time and can move from local to regional and national in a seamless, rather than a disjointed, transition...This is about looking at not just how the agencies work but how the local authorities, Business Gateway and regional economic partnership work. [27]

66. We heard that efforts have already been made to improve partnership working between the agencies and Business Gateways in many locations. In some areas Business Gateway and Highlands and Islands co-locate in the same premises. It said that this usually makes partnership more effective and promotes good working relationships. Joint client meetings are more regular and there is greater discussion around pipeline clients. This, we were told, reduces duplication of effort from a client perspective. [28]

67. **As highlighted above, failing to include Business Gateway in the remit of the Enterprise and Skills review was a missed opportunity.**

68. **The Committee finds the lack of clarity on the strategic alignment between Business Gateway and the enterprise and skills agencies disappointing. Particularly as a key deliverable action of the 'Enterprise and Business Support' strand of the Enterprise and Skills Review was to '*deliver a joint improvement programme to create a much more coherent and joined up system of support that is focused on business need; developing a single digital access poin*t'.**

69. **The Committee welcomes reports that efforts have been made to improve partnership working between the agencies and Business Gateway. However, there is still not sufficient evidence to suggest that these actions will overcome the accountability and alignment challenges that we have highlighted.**

The Irish model

70. We questioned whether at times sensitivities around local and national governance are standing in the way of collaborative working, services to business and economic impact for Scotland, and resulting in the accountability and alignment challenges already highlighted.

71. As part of this inquiry, we looked to see if there are lessons to be learned from other countries, where business support is seen to be working well. The European Commission's SBA Fact Sheet & Scoreboard identified Denmark, Finland, and Ireland as top performing countries for SME business support. Ireland was identified as suitable for a fact finding trip, as at the time, it was ranked first for policy around skills and innovation. Other areas of high performance in Ireland were initiatives around entrepreneurship, access to finance, free movement, and reducing bureaucracy.

Evolution of Irish business support offer

Prior to 2014, the structure of Ireland's local business support offer was like the current Scottish model, where delivery and policy direction was decentralised to County Enterprise Boards. This structure resulted in challenges around consistency and alignment. To overcome these challenges, in April 2014 Ireland's existing 35 County Enterprise Boards were dissolved under primary legislation and the functions, assets and liabilities were transferred to *Enterprise Ireland* (EI - Ireland's enterprise agency) with the local authority structure agreeing to carry out these functions on EI's behalf in the newly titled **Local Enterprise Offices (LEOs)**. The objective of this change was to achieve national strategic alignment with transparent tiers of accountability, whilst still maintaining local delivery.

With 31 dedicated teams set up as offices within each local authority in Ireland, LEOs offer a wide range of experience, skills and services. LEOs in collaboration with EI also work to promote enterprise, entrepreneurship and foster a culture of enterprise at local levels. LEOs provide a range of complementary supports to support people who want to start up or grow a business. The supports range from providing an initial "First Stop Shop" service where individuals can receive advice on the steps involved in setting up a business, to the provision of grants for feasibility studies, provision of financial support for the establishment of new businesses or expansion of existing ones and the provision of a range of soft supports such as training and mentoring.

The national LEO Coordination Unit publishes a detailed annual impact report. This impact report details the key results and initiatives of the Local Enterprise Offices. In 2017, this included the creation of 3,760 jobs (net) across 7,182 LEO-supported companies. These new jobs brought the total number of people employed by Local Enterprise Office-supported clients in 2017 to 37,485. The report also shows that the Local Enterprise Offices approved €16.6 million in direct financial assistance for 1,131 business projects nationwide, while the 31 LEOs trained over 30,000 people to help them start or grow their businesses last year. As well as an aggregate level national report, each of Ireland's 31 LEOs produce a local level report providing a local economic baseline and transparent targets. Enterprise Ireland has a system in place to monitor delivery of targets at a local level of LEOs.

In terms of the wider strategic context for Ireland's LEOs:

- The *Department of Business, Enterprise and Innovation (DBEI)* is 1 of 17 Irish Government departments. The *Indigenous Enterprise, Digital and Finance Division* within DBEI operates a suite of policies and supports designed to assist and facilitate businesses at all stages of development and growth. This includes direct interventions such as the provision of Microfinance and Loan Guarantees, as well as working with the Division's Agencies (*Enterprise Ireland, the Local Enterprise Offices, and the National Standards Authority of Ireland*) to ensure their supports are relevant and aligned to the evolving needs of business.
- EI's mission is to deliver a major improvement in the international strength of Irish enterprise across all regions by transforming the innovation and competitive capabilities of Irish companies. EI taking account of the DEBI Statement of Strategy provide LEOs with strategic direction to ensure that activities delivered at a local level are aligned with national ambition. EI allocated €38 million in expenditure for LEOs in 2017.

72.   In Ireland, the alignment of priorities between national and local government seemed more cohesive. Here local authorities run the Local Enterprise Offices, but

there is strategic direction and evaluation of performance by Enterprise Ireland, the equivalent of Scottish Enterprise or Highlands and Islands Enterprise.

73.   During our visit to Dublin, the Department for Business, Enterprise and Innovation (DBEI, a Government department) explained that in Ireland, each Local Enterprise Office (run by local authorities) has targets and these are monitored by Enterprise Ireland (the equivalent of Scottish Enterprise). Enterprise Ireland meets regularly with local authority managers to discuss progress towards these targets. Any issues with the targets are quickly addressed under this continual monitoring. Tracking metrics also allows for benchmarking across counties. There are service level agreements to define business support governance roles and these are renewed every 3 years. The LEO coordination unit (run by Enterprise Ireland) looks at monitoring, evaluation and budget, and employs 11 people. Annual metrics are reviewed every quarter on indicators such as jobs, financial assistance, training, and transfers to Enterprise Ireland.

74.   The DBEI told us that having central accountability by Enterprise Ireland has improved networking and sharing of best practice between local authorities. Benchmarking is national and problems are tackled. They have introduced "mystery shoppers" as an additional way to monitor performance.

75.   During our visit we also met with one of the Local Enterprise Offices in Fingal, Co Dublin. There we were told that when services were initially transferred from the County Enterprise Board structure there was concern about lack of autonomy and flexibility, but this has not been the reality. Targets are set nationally, but there is still flexibility to do things differently depending on local needs.

76.   **The Committee has already noted the lack of transparent accountability and alignment in the current Business Gateway structure. We note that the approach in Ireland provides a mix of tailored local delivery and national strategic direction, where Enterprise Ireland takes a strategic lead and holds local authorities accountable. The Irish model has evolved from a situation similar to the current Scottish context and appears to us on initial examination to deliver alignment and accountability.**

77.   **The Committee asks the Scottish Government to review the Irish model and consider whether this model, or aspects of it, are applicable in the Scottish context to overcome the current accountability and alignment challenges. The Committee asks to be updated on the progress and outcome of this review.**

Targets and performance

78.   Strongly linked to the concerns about accountability and alignment in Scotland's local business support offer, already highlighted, are challenges around transparency and performance monitoring.

79.   In this inquiry it has become clear that local authorities have different aims and ambitions for their Business Gateway service, based on local economic circumstances. However, underpinning this is a uniform set of performance indicators, which exist to bring some consistency and measurement of success. We asked questions around what these targets are, how they are set and whether they are met. We also asked how services are monitored and evaluated and whether we need to reassess what criteria are being looked at as the role and remit of Business Gateway evolves. In evidence we heard that improved transparency around all of these measurements would improve collaboration.

Setting and monitoring targets

80.   First we asked how targets were set. The answer being that each local authority sets its own. COSLA told us that the targets are set by the local areas as "they relate to what local areas believe they can deliver with the resources that they have and to the opportunities and challenges in those areas." [29]

81.   We understand that the economic circumstances and geographies mean that there will be regional variation in targets and note COSLA's warning against creating a league table between local authorities. [30] However, given that all published information on targets, performance against target and budget allocation for Business Gateway is at a national level, we are concerned by this lack of local transparency. In light of these concerns we requested regional budget and performance target information, which the local authorities and COSLA provided to the Committee. We believe that routine publication of these figures at a local level should be Business Gateway's policy in future.

82.   In response to our survey, one person noted that, "where there is poor performance, it's accepted and targets simply get reduced." [31] Even if this is not the reality, the fact that this is a perception of the way that targets are set is problematic. According to this survey respondent, "the net effect is less start-up businesses, less growth companies with international ambition and less high growth companies going on to Scottish Enterprise Account Management." [32]

83.   Others shared a concern that current targets have stagnated. A number of witnesses questioned Scotland's level of ambition in terms of business start-up rates and also questioned why Business Gateway's national target of 9,000-10,000 had not changed over the last decade. Mr Lightbody from COSLA explained that this target had been set by Scottish Enterprise before the transfer of Business Gateway to local authorities. [33] However, whilst we appreciate that budgets have remained relatively static, we do not think that this flatlining of targets reflects the continual progress that Business Gateway should aspire to.

84. Professor McEwan told us that Elevator delivers almost 25 per cent of all Business Gateway start-ups for Scotland. He said:

> we have to help more businesses to start up. The Scottish Government has a start-up target that amounts to, I think, 10,000 nationally—somebody must have decided at some time that that figure was a barometer of entrepreneurial health. That figure should go, because it limits ambition. What could we achieve if we took the lid off that? [34]

85. Start-up targets in particular were of concern to witnesses. Susan Love from FSB told us:

> There has been an increase in the number of businesses over the past 10 or 15 years, and we can get a bit complacent about that, but there are serious questions to ask about the start-up business rate that we want and who will support it. The number of start-ups assisted by Business Gateway has remained much the same over that period, despite a big increase in the number of businesses. That might be because gateway has had the same amount of resources, so it could not possibly have helped any more businesses. If the number of businesses has increased substantially and the resources to Business Gateway for start-ups have not, there seems to be a mismatch. You are right that there has been a focus on the need for more scale-ups because of the disproportionate impact that some businesses have. [35]

86. As well as how targets are set, questions were also raised about the suitability and impartiality of COSLA monitoring Business Gateway's performance against these targets. Liz Cameron at Scottish Chamber of Commerce told us:

> I think that the situation is less transparent than it could be. At the end of the day, COSLA is the representative body of the local authorities, so there is obviously a monitoring and reporting relationship. Is it truly independent and as transparent as it could be? Perhaps it is not.
>
> To oversee it all at national level, there should be national evaluation being done across all the support services. We used to have a group of partners doing that, but as things evolved it ceased to exist.
>
> There needs to be monitoring and evaluation done and it needs to be independent of the service. If the funding is coming from the Scottish Government, it should be the Scottish Government that evaluates and monitors. I also would recommend that customers be part of evaluation and that monitoring. [36]

87. Matt Lancashire said that from his perspective, "if just COSLA monitors Business Gateway, I am not sure how we could get that interagency collaboration…in the future other agencies should be involved in monitoring." [37]

Incentives

88. In terms of behavioural incentives, among survey respondents who rated Business Gateway services as either average or poor, the target driven nature of services was identified as a weakness. Some respondents felt that the delivery of KPIs results in a service that focuses on quantity over quality and businesses that feel they need to tick the right boxes to access support:

> Advisers not interested unless they can tick boxes and then send you on a pre-defined route – marketing course, business plan etc. Stuff from an elementary business course – Complete waste of time and not interested in developing our business – obviously target driven and looking to churn as many businesses as possible. [38]

89. Matt Lancashire of SCDI said:

> there is an opinion that, rather than Business Gateways informing businesses about the products that they need, they will try to sell businesses products that they do not necessarily want. Is that driven by a target-made approach? [39]

90. These warnings against perverse behavioural incentives shaped some of witnesses' thinking on how the role and remit of Business Gateway could influence its aims and what it is monitored on. We believe that there should be targets, but they must be the right targets. We do not want to gather data that drives quantity rather than quality.

Types of targets

91. Besides the way in which targets are set to address local challenges and opportunities, targets are also linked to the national role and remit. Therefore, Business Gateway must also review where, a decade on from inception, it can have the greatest impact.

92. Liz Cameron from Scottish Chamber of Commerce asked:

> what are the quality standards? What are we trying to achieve for Scotland? All areas are very different so what can each of our local areas and communities contribute to economic growth?... the key performance indicators are completely out of date. In the targets that we are looking at, we are playing with numbers, and that is not quality. I suggest that we have been measuring a lot of our economic performance on the wrong data. Data drives human behaviour…we should be asking what we want to achieve. [40]

93. Graham Smith from Glasgow City Council agreed:

> The measures that we use are GVA, jobs and productivity. Yes, we align and work with the National Unit to set targets against a uniform of metrics. Are there improvements to be made? I think that there are. Does that accurately reflect the performance in Glasgow versus, for example, Dumfries and Galloway? I do not think that it does. [41]

94.   Pamela Stevenson said that SLAED are "fully aware" that there is a need to "review the Business Gateway performance targets" as they are not "right for the current environment" and should include things like the "delivery of productivity, innovation, trade, inclusivity, and, in particular, access to finance." She continued "as part of our KPIs, we have to benchmark and review better how we are showcasing the level of Business Gateway support in signposting to other referral agencies." [42]

Team approach

95.   Some witnesses felt that the key performance indicators should include a measure of collaboration and team working. This would indicate how well agencies were working together and how they were engaging with stakeholders. As indicated by the survey respondents - only 2 per cent of whom had solely engaged with Business Gateway without help from other support services - most businesses will seek help from multiple sources. This makes assessing the impact of any one service difficult. It can also lead to the competition previously discussed. There is a question about the types of indicator that would improve partnership working.

96.   Matt Lancashire from SCDI told us that "the clue is in the title: Business Gateway"; its targets should be set to improve collaboration rather than competition, triaging businesses to available support. Recording partnership may be more effective than having individual targets for each service or agency. [43]

97.   Rachael Brown from the Cultural Enterprise Office agreed:

> Some of the measurements that we, as a specialist organisation apply to ourselves very much link in with the team Scotland approach. It would be great if Business Gateway was part of that, so that we would not feel, as we currently do, that we are quite far away from each other. [44]

98.   This inter-agency collaboration is also important in the setting of targets and agreeing consistent measures. We heard from Women's Enterprise Scotland that there is inconsistency around terminology, with different business support providers referring to women-owned and women-led business as well as businesses where the primary contact is a woman:

> We believe that we need consistency in what is being tracked and measured across the enterprise support system and hope that this is rolled-out from the analytical unit's work on data. [45]

Performance against targets

99.   Developing a more comprehensive set of performance targets is, however, rendered meaningless without transparent monitoring and evaluation and we found the current lack of published monitoring information concerning. This was summarised by Matt Lancashire of SCDI:

> there has to be transparency. The data should be reported as part of a continuous improvement exercise – it is as simple as that. [46]

100.   Susan Love said that:

> no data is published about what is happening in individual gateways. In the past, when the stakeholder group was set up, we used to receive quarterly reports about performance by individual gateways. Even then, though, we were only given actual performance; we were not given performance against targets so it was pretty meaningless. [47]

101.   When asked about published performance and budget information for individual Business Gateway regions, Hugh Lightbody confirmed that COSLA "do not produce regional performance data in that way because we are talking about a national programme and what it has achieved overall." [48]

102.   During our visit to Dublin, we found, on initial examination, that business support services in Ireland seem to be structured in a similar way to Scotland in many respects. Local Enterprise Offices, the equivalent of Business Gateways, are run by the local council. However, these Local Enterprise Offices each publish an annual report, which describes the local economy of the county, its opportunities, how the office has performed against 40 targets and how it intends to improve.

Members met with the Department for Business, Enterprise and Innovation, Enterprise Ireland and Fingal Local Enterprise Office to discuss business support

103.   During the fact-finding trip to Dublin, members were impressed by the transparency in the regional breakdown of reporting by the Irish Local Enterprise Offices. No regional figures are published by Business Gateway and we therefore asked COSLA if regional performance data for the last ten years could be shared with the Committee. We also requested regional Quality Assurance data. COSLA expressed

concerns about sharing this data as not all support services are delivered in-house and there may be issues of commercial confidentiality. However, in reality it was possible to share the majority of this information with the Committee, which should mean that performance against target could continue to be published in future.

Role of the analytical unit

104. The Committee explored whether there is a role for the newly formed analytical unit, as part of the Enterprise and Skills Review, in assisting with the performance measurement of Business Gateway. The Scottish Government set up the Analytical Unit to support the work of the Strategic Board. It is headed by former RBS Chief Economist, Stephen Boyle and is currently developing a framework which aims to measure impact and outcomes of the various agencies, which will also align with the Scottish Government's National Performance Framework.

105. During evidence, Susan Love from FSB said:

> if we cannot overcome the issues about local government being brought into the national approach in terms of, for example, the work that the analytical unit that has been set up by the strategic board is doing, we will never have the seamless service that we want for businesses. We have to find a way to get local and national leaders to share a commitment to working together to provide the services for business. [49]

106. When taking evidence from the Enterprise and Skills Strategic Board, Nora Senior and Stephen Boyle were asked whether there was scope for the analytical unit to look at some of the Business Gateway data that underlies performance. Stephen Boyle expressed that the analytical unit "would be open to that" and "have had an initial discussion with Business Gateway about its approach to evaluating its impact." He continued, "we are not able actively to help it at the moment, but I am certainly open to doing that in the future." [50]

107. Hugh Lightbody, of the Business Gateway National Unit, confirmed that there have already been discussions with the analytical unit about gaining a better evaluation of impact across the business support system, including the enterprise agencies and Business Gateway. [51]

108. The Cabinet Secretary believes that "there can be greater involvement from Business Gateway if we are to have a holistic approach to business support in every part of the country." He indicated that to have a holistic service Business Gateway and the enterprise agencies must be more closely aligned. The Cabinet Secretary envisages a stronger role for Scottish Enterprise in local economic growth and sense of place. [52]

109. **The Committee notes evidence that local authorities are responsible for setting their own Business Gateway targets. There is no reporting on what these targets are, performance against targets or spend on Business Gateway services. The Committee finds this unacceptable. The Committee**

notes that in Ireland each Local Enterprise Office publishes local targets, priorities and spend. The following recommendations should be considered within the context of our earlier recommendation that the Scottish Government investigate the applicability of the Irish model in the Scottish context.

110. **The Committee recommends that Business Gateway has core targets that align with the strategic direction of the Scottish Government's national priorities and Economic Plan. Additional targets should also be set to reflect local economic circumstances.**

111. **The Committee recommends that Business Gateway review the current key performance indicators and targets in collaboration with stakeholders such as FSB and Chambers of Commerce and the analytical unit. There must be external input to ensure that targets are sufficiently challenging and ambitious.**

112. **Targets should reflect a desire for continuous improvement. Fundamental to setting targets is embedding a clear sense of what is to be achieved. These factors should be forefront in Business Gateway's evaluation of the KPI and target framework.**

113. **The Committee recommends that there should be external monitoring of Business Gateway's performance against targets by an independent body. The Committee seeks clarity on whether the analytical unit could offer its assistance in analysing Business Gateway's performance data.**

114. **As outlined above, there is no regularly published information on targets, performance against targets and budget allocation for Business Gateway at local authority level; we are deeply concerned by this lack of transparency.**

115. **The Committee recommends that local authority level Business Gateway targets are published alongside an annual report to bring clarity and transparency to the local authority policy decisions behind these targets. It is vital that local circumstances are reflected as direct comparisons between local authorities will not always be appropriate. We do not want to create a 'league table' of performance but there is a clear need for improved transparency and accountability.**

Feedback and quality assurance

116. In terms of monitoring customer experience of Business Gateway, the Business Gateway National Unit has managed a quality assurance research contract covering the service since 2008. This research has been conducted independently by a research company.

117. Invitations to complete the customer satisfaction tracking are sent on a weekly basis, two weeks after the customer's initial contact with Business Gateway. Dashboard reports provide summary data for each month of the survey for key

performance indicators. The National Unit and lead local authority monitor these dashboards and the independent research company forwards any potential complaints ('hot alerts') direct to local areas for response. The service responds to 15-20 hot alerts per month, a maximum total of 240 per annum against a service handling over 50,000 enquiries a year.

118.   In written submissions, COSLA as well as many of the lead local authorities wrote:

> Over the last ten years customer satisfaction levels have remained steady and consistently high...there has been no change in the quality of service and the service has evolved over time to meet the changes in the way customers access those services. [53]

119.   **The Committee welcomes the work being done to monitor client satisfaction with Business Gateway's services and the systematic way in which this is carried out. It is vital the lessons learned from client feedback are incorporated into consideration of targets and key performance indicators as part of a process for continual improvement.**

Business Gateway budget

120. Based on local authority submissions to this inquiry, SPICe estimates that approximately £15 million of Scottish Government funding is spent annually delivering Business Gateway services.

121. Douglas Westwater of Community Enterprise told us:

> I have to say that £15 million does not seem a massive amount for promoting the Scottish economy at local level. You could tinker around the edges by removing or increasing some funding. The honest answer is that I do not know, but that amount does not seem ridiculous to me. [54]

122. Whilst the budget for Business Gateway is much smaller than that of the enterprise agencies, Liz Cameron from Scottish Chamber of Commerce highlighted that, "we need to be clear about what we are spending funds on, where they go and what impact they have on our economy." [55] The distribution of money between the agencies and Business Gateway may need further consideration by the Scottish Government, but Liz Cameron said:

> if there is a pot of money, we should look not at what we have got now but at what we are doing with the rest of the budget and whether that should be reproportioned. I do not know because…I have no idea how much has been spent on Business Gateway in local authority areas. [56]

123. The budget for Business Gateway is provided through the revenue funding received by local authorities to deliver all core services. Business Gateway spend is therefore at the discretion of local authorities and is not protected or ring-fenced.

124. Some local authority areas have retained the same level of funding since 2008 with no increases, decreases, or adjustments for inflation (examples include Edinburgh and Lothians, Forth Valley and Dunbartonshire). Others have decreased funding (including Highlands, and Dumfries and Galloway). Highland Council stated in its submission that due to budget pressures, annual spend on the Business Gateway service has declined, it continued:

> Discretionary spend, such as that on Business Gateway tends to be more easily reduced than that incurred delivering the Statutory Services that the Council is required to provide, for example Education and Social Work.

125. Highlands and Islands Enterprise agreed that:

> Business Gateway is not a ring-fenced budget in Local Authorities and as a result the service is inconsistent across the regions. [57]

126. According to SPICe analysis, in 2016/17 (the most recent year with full data coverage), Business Gateway spend ranged from £43 per local unit[iii] in Highlands Council to £121 per local unit in Comhairle nan Eilean Siar. The full data for local authority regional spend is included in annex A.

127. While Glasgow City Council has maintained spend levels in cash terms, they have highlighted concerns due to recruitment freezes:

> For Glasgow, there has been a challenge in maintaining the quality and scope of service due to recruitment freezes, which has seen the Business Adviser resource reduce by a third in 18 months. This has a direct impact on the scope and level of service available to cover Scotland's largest city. [58]

128. The Irish Department for Business, Enterprise and Innovation allocates budget to Enterprise Ireland (Ireland's enterprise agency) which is then distributed to the local authorities. The Local Enterprise Office budget is ring-fenced within the local authority budget. This budget varies depending on the performance and scale of the county. The DBEI has significantly invested in this budget, with a 20% budget increase 2 years ago and further 40% increase for next year. DBEI told us that the budget doubled during the transition period and transparency also increased. [59]

129. We found a lack of published information regarding Business Gateway budgets; there is no financial information in the national Business Gateway annual report. There is also no specific information in the Local Financial Return statistics collated by the Scottish Government. We found that it is not currently possible to see from Local Government Finance Statistics how much is being spent on Business Gateway services and that there may be a variety of approaches to recording this spend between different local authority areas.

130. Given the lack of published information from the Business Gateway National Unit, we sent a targeted call for evidence to all local authorities requesting information on Business Gateway spend. The responses confirmed the variance of approach in recording this spend information so no like-for-like comparison can be drawn.

131. **As with target and performance information we found a lack of transparency in relation to Business Gateway budgets. We find it unacceptable that financial information on Business Gateway is not recorded and published in a consistent manner across local authorities. We believe that each local authority should publish its spend on Business Gateway alongside what the focus and priorities are for that spend.**

132. **The Committee notes the variance in spend on Business Gateway services in different areas across the country. The spend has not increased in the last decade. We believe that the Business Gateway budget must be scrutinised; however, such scrutiny cannot be done in the absence of published information.**

133. **The Committee calls on the Scottish Government to update Local Financial Return Guidance to include how expenditure on Business Gateway should be recorded and bring consistency to these statistics.**

134. **As outlined above, alongside target and performance information, the Committee recommends that Business Gateway spend should be**

ⁱⁱⁱ A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a workplace.

> **published by each local authority in an annual report. This would allow regular scrutiny of the Business Gateway expenditure to ensure accountability and value for money.**

European Regional Development Fund (ERDF)

135.   Some local authority areas enhance Business Gateway services and wider local business support with European Regional Development Funding (ERDF). Withdrawal of ERDF was noted as an issue that would impact on future delivery of services. In our 2018 inquiry into European Structural and Investment Funds (ESIF) we noted that for the period from 2014 to 2020, Scotland received €476 million from the European Regional Development Fund (ERDF). ESIFs add up to something between 10 and 25% of local authority spending on economic development and employability in Scotland. Some witnesses noted the impact this additional spend had on local authority economic development budgets, including business support.

136.   During evidence, Andrew Dickson of Business Loans Scotland said:

> 🔳 With a lack of available ERDF funding, there will be a reduction in the resources that are available to business support services… If the ERDF funding is not replaced, there will have to be a reduction in the level of service and resources that are available for business support programmes. [60]

137.   Professor McEwan of Elevator agreed that:

> 🔳 At best, the Business Gateway funding has been static for the past eight years or so. That does nothing to help us to innovate and to try new things. However, the introduction of European regional development fund funding has been a welcome addition. We run a business accelerator in the University of Dundee, which is hugely successful but is staffed by people who are funded through the ERDF programme. In Aberdeen, we have been able to implement a diagnostic review system, again through ERDF support. The programme has been able to add value to the core Business Gateway funding. If the ERDF is ultimately lost, decisions will have to be made about how to ensure that that loss does not hamper us from trying new things and being able to develop services. It has definitely filled a gap where Business Gateway has been a fairly static income line. [61]

138.   There is a lack of clarity about how the Business Gateway budget interacts with ERDF and broader local authority economic development budgets. Liz Cameron of the Scottish Chambers of Commerce asked:

> 🔳 how much, if anything, are additional economic development services contributing to Business Gateway services. Money flows from one budget to another, so I don't not know the answer to that question. [62]

139.   During evidence, the Cabinet Secretary for Finance, Economy and Fair Work told us that there was "no certainty about the post-Brexit arrangements," and that "the

position will be determined by the negotiations and arrangements, and we will understand the situation only after that point." [63]

140. **The Committee recommends that alongside the regional breakdown of annual spend on Business Gateway services, additional services and programmes being funded through other money, such as ERDF, should also be quantified. The impact of the withdrawal of ERDF should be monitored and reflected in local authority budget decisions.**

141. **We said in our conclusions on the inquiry on European Structural and Investment Funds that the current allocation to Scotland under ESIFs should be considered the baseline for future funding levels under the UK Shared Prosperity Fund. [64] We re-iterate that recommendation here and highlight the importance of this funding in delivering local business support services.**

Local specialism or inconsistency? Regional variation in Business Gateway services

142. We note that the spend on Business Gateway services, the delivery model, the range of programmes, services and workshops on offer vary between different local authority areas. Some businesses called the delivery of services a "postcode lottery". However, other businesses perceived this as an effective focus on local economies, needs and circumstances. The delivery of Business Gateway by local authorities has brought regional variation and the Committee heard mixed views about whether this is positive or negative.

Strengths

143. The call for views for this inquiry had a specific question related to what Business Gateway does well. Three key themes emerged: online services, ability to tailor for local needs and specific strengths in the early stage start-up.

144. The Scottish Chambers of Commerce reported that Business Gateway had some specific strengths in this early stage activity, with the templates and other guidance for business start-up providing "invaluable assistance and areas of consideration for entrepreneurs embarking on their initial business journey". [65] Furthermore, dependent on the area, there was often praise for the events programme and a general recognition that many of these events were well received.

145. Scottish Enterprise noted that the core benefit of Business Gateway being part of the local authority structure is the potential for services to be flexibly tailored to local needs and circumstances and for integration with other services delivered by the local authority, such as planning. It also facilitates partnerships with local organisations both public and private. [66]

146. Highlands and Islands Enterprise praised the Business Gateway website's provision of comprehensive and detailed information for businesses to access, ranging from first steps in starting a business, business plan templates, advice on producing the plan, and how to start and structure a business. The website also includes downloadable market insights on the relevant business sector, which HIE believed is useful to informing the business plan. [67]

Areas for Improvement

147. Alongside these strengths, witnesses identified other areas where there is room for improvement. Scottish Enterprise believed that there are gaps around awareness and ease of access:

> One reason given for companies not engaging with public support is the limited amount of time they have available to navigate the system. In a similar vein, we know that businesses are very often frustrated at how long it can take for support to be approved. These issues are being addressed by the improvement programme... This programme is responsible for ensuring that service delivery will be simplified, streamlined and seamless. [68]

148. Universities Scotland expressed a desire to grow the breadth of companies innovating, and the scale of that innovation, through enhanced partnerships with universities. They suggested that this will need the agencies involved in the innovation/business support arena to build on work to enhance referrals, ensuring that businesses are directed effectively to the best support option, even if that sits outwith their own remit and operations. [69]

149. East Renfrewshire Council believes that there are gaps around the support available to homeworkers and business-suitable accommodation:

> There are many rural specific issues around business support, particularly being distant from centres of high population where there are numerous sources of support and access to larger conferences, trade shows, and key speaker events take place. Time and financial constraints can limit rural businesses exposure to support. [70]

Business case study - Proterra

Visiting Inverness, we met with Proterra who have found recruitment in the Highlands particularly challenging for their business. The remote geography makes staff attraction and retention difficult. They have benefitted from the Graduate Support Scheme which provided a 50% grant to recruit a graduate. This was accessed through Business Gateway. Proterra Energy Ltd also currently have a Scot Grad. [71 iv]

150. Various Chambers have highlighted that on a sectoral basis, there can be some challenges for firms if they do not fall into the focus areas for the Enterprise Agencies, such as a growth sector. Specific types of businesses, for example family-owned firms or rural enterprises, may have challenges that are not addressed under the current structures. Furthermore, they noted that there was a perception that, unless a business is focused on exporting or within the enterprise agency target areas, support tended to be on firms at a start-up level, rather than mature firms which could potentially benefit from advice around improved business processes. Highland Biosciences told us that they had struggled to get any specialist advice for their sector. [72]

Inconsistency

151. We heard a lot of positive experiences from people who really value Business Gateway services, but also heard views that there was room for improvement. However, most frequently it was the variety of experience that was of concern. For SCDI's Matt Lancashire there is inconsistency:

ScotGrad

> There has been a divergence in performance across local authorities. Evidence from our members suggests that there is a very mixed bag in terms of the support that they receive. [73]

152. Graham Smith from Glasgow City Council agreed:

> There are tensions between the localised service and having a national offer that is communicated out to the wider business community. I understand the frustrations that that can often bring, with businesses not getting the same service across different areas. [74]

153. Our survey showed that the majority of clients have a positive experience of Business Gateway, but Rachael Brown from the Culture Enterprise Office explained how small numbers of negative experiences can discourage much larger numbers of people from engaging with the service:

> One of the challenges is that people have good and bad experiences when they come to a service such as Business Gateway. If a creative has a poor experience or receives patchy service, they pass that information on to any other creative who asks them about their business journey. That is what happens in the network. The same applies if someone has a great experience, but it is difficult to measure the overall quality of provision if the service is patchy. [75]

154. One survey respondent told us:

> The innovation specialists have been of particular help in developing my training product for license and scaling up. The digital boost, Supplier Development Teams and workshop programmes/Ezines, I've also frequently used. I access resources in different parts of Scotland and there is not always consistency in quality. [76]

155. It was suggested by some organisations, including LESL, that less effective services could be veiled by the lack of published performance figures and well-intentioned regional variation.

156. Dr Siohhan Jordan from Interface said:

> we have an opportunity to identify where there is really good practice … and then to look at mainstreaming that across all areas to ensure that there is consistency. That is not just for working with Interface; it is for working with other specialist support organisations throughout Scotland. [77]

157. Elevator told us that in the past there was a Business Gateway contractors' forum which met every two months to share experience, knowledge and best practice. This no longer exists and there is no mechanism to share good practice between Business Gateway deliverers. From Elevator's perspective there is variable ambition and a lack of appetite to learn from others. [78]

158. The Committee agrees that local discretion is important in delivering a tailored geographical service, but there is scope for there to be greater sharing and main-streaming of best practice. This would help overcome some of the alignment challenges highlighted in this report.

159. The Committee notes the evidence that Business Gateway could do more to share information and that there needs to be better collaboration between Business Gateway providers. The Committee asks the Business Gateway National Unit to consider how best to connect Business Gateways across all the regions of Scotland to share best practice.

Advisers

160. Some inconsistency arises from the varied offering of workshops and programmes by different Business Gateways. However, much of the disparity results from the importance of staff members in shaping an advisery service. Business Gateway's strength lies in advisers who have good knowledge and expertise, and who network and collaborate with the enterprise agencies and stakeholders. A very high level of adviser support was generally reported by businesses.

161. One survey respondent wrote:

> [the adviser's] support was invaluable and that's the reason I am now hoping to attend many of their workshops. I really couldn't recommend the service (and adviser) highly enough. [79]

162. Lynne Cadenhead from Women's Enterprise Scotland, acknowledged that businesses report good and bad experiences and recognised that:

> Fundamentally, that comes down to the quality of the business adviser, and we are seeking to see some kind of accreditation or standards implemented across Business Gateway advisers. [80]

Bringing consistency - Premier Adviser Programme

163. It was suggested that given the influence of individual advisers, the development and upskilling of Business Gateway employees was one way to bring greater consistency to services. The introduction of the Premier Adviser Programme has created a minimum level consistency, but some witnesses felt there could be an improved commitment to continual professional development.

164. In relation to development, Professor McEwan said that all advisers could "easily go up a few notches" if there was more network communication and sharing of best practice. With regard to the premier advisor training, he said:

> the bar is not particularly high and we could consider making it tougher. Business advisers who are dealing with start-up businesses and those dealing with growing companies need different sets of skills, but we have only one qualification at that lower level. I get twitchy when it comes to people who might have crossed that bar, but are out of their depth. Also, we do not have any CPD. Once people qualify, they qualify, but we should have continuous improvement of the business advisory support. [81]

165.   **The Committee is aware that business support is an evolving area of expertise. Continuous learning will be required if advisers are to keep up to date with developments.**

166.   **The Committee recommends that the Business Gateway National Unit should implement a continual professional development programme to refresh training and up-skill staff.**

167.   **The Committee also recommends that the Business Gateway National Unit implements a forum for peer-to-peer learning and sharing of best practice between advisers. This would encourage further alignment and collaboration in line with recommendations set out above.**

The enterprise culture

168. It seemed from evidence that the expectations of Business Gateway are constantly evolving and some of the inconsistency described by service-users results from Business Gateway's attempts to avoid duplication. Stakeholders and partners introduce new services and the role and remit for Business Gateway becomes unclear.

169. As discussed, the Scottish Government increasingly encroaches on Business Gateway's remit, as it introduces new initiatives, not least of which is the new digital access portal. With all this change, there is a need to bring clarity to Business Gateway's role within the landscape. As set out earlier in this report, the delineation between start-up and growth support between Business Gateway and the enterprise agencies could also be better defined, as could Business Gateway's role in filling any perceived gaps that currently exist in the support landscape.

170. Witnesses told us that one area which could merit more of Business Gateway's attention, is in the encouragement of an entrepreneurial environment in Scotland. Professor McEwan, Director of Elevator highlighted:

> Business Gateway's shortfall is that it does not do a whole lot to create an entrepreneurial environment to encourage people to get to the start line. It is a responsive and reactive service—when someone wants business advice they can have it. [82]

171. Again, COSLA explained that Business Gateway aims to avoid duplication:

> In the past, Business Gateway perhaps paid more attention to supporting-or was more able to support- the development of an enterprise culture. We are still very much part of that, but as I have said, more organisations are now involved in that activity, and we work in partnership with them. [83]

172. Linked to the cultivation of an entrepreneurial environment is the question of ambition. During the Committee's inquiry into Scotland's Economic Performance, Professor McEwan noted a "fear of heights" when it comes to Scotland's businesses desire to scale-up. [84] In this inquiry, RBS told us that they have 65 relationship managers working with around 9,000 businesses. RBS has made £168 million of funding available to these customers, of which around £12 million has been taken up. From its perspective, this is a demand issue. [85]

173. In Ireland the Department for Business, Entrepreneurship and Innovation uses national campaigns as a tool to raise awareness. Local Enterprise Week is, for example, a national campaign that is linked to local advertising and local enterprise engagement. Some events are also run in conjunction with Chambers of Commerce. We heard that this type of activity is highly effective as there is coordinated awareness activity happening at both national and local levels. For example, Enterprise Ireland will have funded activity on national media and Local Enterprise Offices will be running events on the ground to complement this. Sixteen events are run nationally, including Women's Enterprise Day. The DBEI feels that highlighting a particular topic and giving it national exposure has been really

successful. For example, the number of women-led businesses has increased from 8% to 25% since the introduction of Women's Enterprise Day. [86]

174. Furthermore, the introduction of this report explored statistics, which revealed a mixed performance in terms of business base characteristics. Scotland has relatively higher business survival rates and lower business death rates, in comparison with UK averages. However, some of the statistics indicate a relatively poor performance in terms of growing the business base and the business birth rate. This poses questions about the nature of entrepreneurial policy support and what more can be done to encourage a culture of entrepreneurship.

175. **The Committee recommends that the Scottish Government, and relevant partners, develop a more collaborative and coordinated programme of activities to support and further develop a culture of enterprise in Scotland. In particular, the Committee would like to see activities where there is greater coordination and integration between those working at a national level (e.g. enterprise agencies) and a local level (e.g. local authority economic development). This recommendation should be considered within the context of our earlier recommendation for the Scottish Government to investigate the applicability of the Irish model in the Scottish context.**

Diversity

176. Embedded in this encouragement of an entrepreneurial environment is the removal of any barriers limiting people's ability to access business support, to start and grow a business.

177. In its written submission the FSB told us that further consideration could be given to how the current business support landscape supports particular groups under-represented amongst business owners, including women, BME individuals and those living in areas of high deprivation. [87]

178. FSB Scotland suggested that different products and advice are needed to prioritise the different groups that are currently under-represented. This is an area that would benefit from attention by all business support providers. Susan Love told us:

> In the past, we might have wanted to mainstream all that advice and have every business adviser able and informed enough to deliver it to any type of business owner who walked through the door. I suppose that our view has changed, in as much as we perhaps need to segment what we do a bit better if we want to target these groups. [88]

179. We requested Business Gateway's equality monitoring information from COSLA and were provided statistics for 2017/18 at the national level. We were told that Business Gateway users are asked to complete the equality monitoring information, but this is not compulsory. Therefore, these statistics should be seen as the minimum number of people within each category. [89]

2017/18 Business Gateway start-up numbers from Equality Monitoring information

Start-up	2017/18	Percentage of total start-ups%	Percentage of Population[v]
Women-led	4263	47	51[vi]
Disabled-led	186	2	19.6[vii]
Ethnic minority-led	705	8	5
Total number of start-ups (everyone)	9045	100	

Source: *It should be noted here that Business Gateway users are asked to complete the equality monitoring information on a voluntary basis and the interpretation of equality categories is based on the user's perception. Thus, we would caveat that the Business Gateway statistics are not directly comparable with the Scottish national averages.*

180. Hugh Lightbody from COSLA said he felt the interest from the Scottish Government in inclusive growth, fair work and under-represented groups is quite recent, but COSLA is responsive to that change. [90] We heard best practice examples where local authorities are implementing programmes to address under-representation of certain people in business. Some local authorities told us about a specialist BME Business Gateway adviser, women-in-business programmes, refugee activities, a

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vi National Records of Scotland, mid-2017 population estimates
vii 2011 Scottish Census

focus on social enterprises and supported programmes for recruitment and retention of staff with disabilities. [91]

181.   The Committee welcomes these initiatives and notes the equality monitoring statistics.

182.   Women's Enterprise Scotland, Scottish Chambers of Commerce and FSB all told us that standard services must exist alongside a range of tailored support and businesses should not be directed towards unsuitable pre-existing products simply because they are available. An off-the shelf solution will not always be appropriate. [92]

183.   We took oral evidence from Glasgow City Council and Dumfries and Galloway Council and asked both what is currently being done to encourage representation and what has been effective. This evidence highlighted very different approaches.

184.   Dumfries and Galloway Council's approach is to tell organisations that work with under-represented groups about the services Business Gateway offer, rather than making any adaptations to services to remove barriers. According to Dumfries and Galloway Council, there is no data to suggest that a problem exists. [93] In contrast, Glasgow City Council demonstrated a more proactive approach:

> First, we have a dedicated BME adviser who engages widely with the ethnic minority community and who does extensive work in going out and trying to support the growth of businesses and generate new-start businesses. Secondly, we have a successful women-in business programme that has been going for a number of years now. It is very well established and highly effective. Thirdly, we have a very strong focus on social enterprises. Through the Glasgow partnership for economic growth, and bringing Business Gateway into that, we are working with social enterprise partners in the city to grow the business base to ensure that we have an inclusive growth dimension that is organic and growing in the city. Fourthly...I know that colleagues elsewhere are considering how we can most effectively engage with supported businesses to support them in recruiting and retaining individuals and staff with disabilities. [94]

185.   During evidence, Hugh Lightbody of the Business Gateway National Unit told us that whilst there are no specific modules in the premier adviser training to look at tailored support services for women, ethnic minorities or disabled people, this is embedded across the training modules. [95] The Committee believes that the Premier Adviser training should include a specific module on encouraging diversity.

186.   Lynne Cadenhead of Women's Enterprise Scotland said that all advisers need to be trained in gender-aware business support and there should be an opportunity for the customer and the business adviser to freely give 360 feedback; she said that sometimes businesses can be "reluctant to tell anyone that they are not satisfied in case they get no further support. There needs to be an independent way for both sides to give free and frank feedback." [96]

187.   Ensuring equality is mainstreamed in the design and delivery of Business Gateway services was important to Close the Gap, who said that this "would achieve better outcomes for women using the service". [97]

188. Increasing the number of female entrepreneurs has been a recurring theme in the Committee's work. During our inquiry into Scotland's Economic Performance, we were told that if the same number of women started businesses as men, there would be a £7.6 billion prize for the Scottish economy. In our report we highlighted our previous Gender Pay Gap report recommendation advocating a fresh look at business support services for women:

> *The Committee asks the Scottish Government and its agencies to review the funding streams available to new and existing female entrepreneurs. Of particular concern to the Committee is the suggestion that male entrepreneurs are more successful in accessing capital than females. It is important to establish whether this has been the experience of female-owned account managed companies and Business Gateway clients, and recommends the Scottish Government and its agencies undertake research in this area.* [98]

189. Again, there are positive examples where tailored support is already being offered by business advisers in Business Gateway. One survey respondent told us that:

> Business Gateway has been invaluable in helping me further my business. I'd particularly like to credit the Aberdeen branch with not disregarding my aspirations as a mother with young children, but instead working with me, helping to schedule support at times within my limited childcare and thus helping my business to succeed alongside my family commitments. [99]

190. However, for Women's Enterprise Scotland, it is about the broader support landscape and removal of barriers. Lynne Cadenhead said Women's Enterprise Scotland:

> are advocating very strongly for a national women's business centre to be established in Scotland with strategic funding over a number of years. This is based on the successful American and Canadian models that give highly tailored support to females who are starting up their business…[we are] also advocating for Business Gateway to have a national head of women in business to set national policy and work together with all other organisations. It is about collaboration rather than people seeking to protect their personal fiefdoms. [100]

191. Particular attention must be given to under-representation among account managed companies:

> we know that there is a 50:50 balance of female-led and male-led businesses coming into Business Gateway. That drops down to about 22 per cent of female-led businesses as they move through the growth pipeline. When you go on to Scottish Enterprise account managed services, the number of businesses that are led by females is 3.4 per cent. We need more information around this data. [101]

192. Business Gateway in Stirling is delivered by Stirling Enterprise Park (STEP). In its submission, STEP said that more could be done to make services more accessible:

> I think the current Gateway model is now a bit out of synch with modern business and modern business needs and needs to respond to these changes with a more flexible approach tailored to the specific needs of Scotland's economy. A greater focus on supporting inclusive growth through different types of engagement in disadvantaged areas along with a focus on scaling up businesses would be welcome. [102]

193.   Susan Love from FSB also stated:

> If we want an inclusive growth strategy, that might mean that we need different priorities…about 15 years ago we used to hear people speak a lot more about action to encourage entrepreneurship among those in less affluent areas. We do not hear it spoken about that much now, despite the fact that we know that if someone has fewer assets, they are less likely to start a business. [103]

194.   Professor McEwan highlighted the importance of engaging young people:

> We will achieve more by unlocking the untapped potential of the sort of latent entrepreneurship that lies in all the groups that you have just spoken about. When something is given a focus in the way that has been done with women's entrepreneurship, the results can be quite startling. Young people are another group with which we need to take a more joined-up approach. We need to teach entrepreneurship at a young age, so that it is normal for a young person to expect that, one day, they will be a wealth creator. [104]

195.   Hugh Lightbody explained that work is already being done through the Curriculum for Excellence and by Young Enterprise Scotland to embed entrepreneurial thinking earlier in a young person's development. However, we are unsure what impact this is having and how it is being monitored. [105]

Business case studies - Beastie Boats and Oodls

When we met with business owners, Robbie Rapson at Beastie Boats and Sarah Stenhouse at Oodls, both agreed that there is an issue with entrepreneurial mindset in Scotland. Few young people consider setting up their own business and this is a problem from school age. Sarah Stenhouse said that parental pressure to go to University and follow more traditional career journeys is influential and educating parents is key if we want more business start-ups. She felt that finding more diverse work placement opportunities for school-aged children could be one way of inspiring entrepreneurial ambition and that there could be a role for Business Gateway in facilitating these connections between local businesses and schools. Sarah was keen to be involved with that kind of programme as she is passionate about entrepreneurship and wants to see growth in the entrepreneurial community in Scotland. [106]

196.   **There are good examples of initiatives being undertaken by Business Gateway, and others, to address under-representation. However, the approach to mainstreaming equalities across the service must be improved. The Committee recommends that specific modules on diversity are included in the Premier Adviser Training Programme.**

197.   **The Committee recommends that a strategic approach to targeting and measuring engagement with under-represented groups is required. The**

indicators needed to monitor inclusivity should also be reviewed. The Committee asks the Scottish Government for clarity on how this will be achieved.

198. The Committee notes that pre-existing support packages are not suitable for all service-users and there is a requirement for a range of tailored programmes.

199. The Committee recommends that the enterprise agencies should work with Business Gateway to develop campaigns designed to engage people from under-represented groups in the business support system.

200. The Committee recommends that the Scottish Government creates a National Head of Women in Business to coordinate national policy and work towards the establishment of a National Women's Centre for Business.

201. The Committee recommends that in future work undertaken to streamline pipeline support, emphasis is placed on improving representation among companies receiving public support.

202. The Committee highlights its previous recommendation in its Gender Pay Gap inquiry report that:

> *The Committee asks the Scottish Government and its agencies to review the funding streams available to new and existing female entrepreneurs. Of particular concern to the Committee is the suggestion that male entrepreneurs are more successful in accessing capital than females. It is important to establish whether this has been the experience of female-owned account managed companies and Business Gateway clients, and recommends that Scottish Government and its agencies undertake research in this area.* [107]

203. The Committee seeks clarification from the Scottish Government on what work is being undertaken throughout the education system and within the Curriculum for Excellence and by Youth Enterprise Scotland to encourage entrepreneurship. The Committee also requests further information on the impact that this is having.

Collaborators or competitors? The wider business support eco-system

204.   The enterprise and skills agencies and local authorities are not the only bodies to work with the business community. A number of organisations exist alongside them to support businesses and entrepreneurialism. Strategic alignment between the national and local government functions is important, but there must also be collaboration with private and third sector stakeholders. We heard examples where this is currently working well in some regions. Douglas Westwater from Community Enterprise told us that in West Lothian:

> There is almost an informal tripartite arrangement between us, the social enterprise network and the Business Gateway adviser. It is excellent, and it allows for three different perspectives. [108]

205.   Andrew Dickson of Business Loans Scotland agreed that improvement has been made:

> I remember the transition of responsibilities from Scottish Enterprise to COSLA and the local authorities. I have seen a more joined-up approach being taken over those 10 years. [109]

206.   However, other witnesses were less positive. There was a sense that having a range of products was beneficial, but more could be done to co-ordinate services:

> Business Gateway is isolated in terms of its ability to align and engage with other service provision. If we could achieve that, we would create greater value for the businesses that go through it. With that comes greater productivity and greater economic growth. [110]

207.   For some, success relies too heavily on informal networks and knowledge. Douglas Westwater from Community Enterprise said:

> Collaboration is currently ad hoc—it is not formalised. It is based on networking with people whom I happen to know because I have worked in the sector over the past few years... We build our networks, as local Business Gateways do, so the arrangements can be quite ad hoc. [111]

208.   Representatives from Community Enterprise, the Scottish Institute for Enterprise and the Cultural Enterprise Office all discussed the merits of having a named person to contact in an organisation like Business Gateway, Scottish Enterprise or Highlands and Islands Enterprise. They said that this acted as a 'route in' for smaller organisations who find it difficult to know who to contact.

209.   In terms of mutual promotion and collaboration LESL told us that there is a lack of awareness of the services offered by Business Gateway. LESL noted that Business Gateway do not have leaflets in every bank and in its opinion, there is still insufficient market and brand awareness. [112] In evidence, Keith Devine from RBS was asked if, as the largest provider of banking facilities to businesses in Scotland,

RBS would consider carrying posters and leaflets to highlight Business Gateway services. In response, Mr Devine said RBS:

> will do anything that will support our customers and local communities. If we can share information with our customers, we will be delighted to do so. [113]

Business case study - Business Fives Ltd

Business Fives Managing Director John McClarey noted that all companies are required to register with Companies House and wondered if there was a case for all new companies to receive a letter on registration making them aware of Business Gateway's services and other support available to new businesses. [114]

210. **The Committee notes that there are a range of organisations engaged in supporting businesses in Scotland and that collaboration is key to success. This is working well in some areas and there is room for improvement in others. We note the practical steps which could be taken (such as ensuring that clients have named contacts) and we would support these ways of working.**

211. **As set out previously, the Committee notes the alignment and collaboration achieved between both local and national levels in the Irish model and asks the Scottish Government to investigate how this can be replicated in Scotland to address the issues outlined in this section of the report.**

Stakeholder engagement and relationships

212. As discussed above, in 2008-09 responsibility for Business Gateway services transferred from Scottish Enterprise to local authorities. During this time a stakeholder group was formed to provide input into the development of Business Gateway contracts, among other things. However, this group no longer exists. It is evident that strong relationships often exist between Business Gateway and stakeholders at a local level, but many organisations feel that these are inconsistent, with stronger relationships existing in some regions, with some stakeholders, than others. For some the evolution of these more informal local-level relationships, without broader national input, has left a gap. Susan Love from FSB told us she is:

> concerned about the opportunity for others to input to the design of the service, the targets and priorities, how it is evaluated and to whom it is accountable. On governance we have commented quite a lot on the involvement of stakeholders and users of the national service, which we do not think is remotely good enough at the moment. [115]

213. Susan Love raised the issue of accountability:

> Business Gateway is a national service that the Scottish Government funds. One of the ultimate questions that has come up consistently about delivery is this: if we believe that there is inconsistency and that we are not, in an area, getting the service that we think we should be getting, who do I go to about that? Who do I speak to in COSLA? What will it do? What is the Scottish Government going to do? Is the local authority going to do something? The sanctions for failure to meet contract are completely unclear to me. That is a problem in the accountability structure for Business Gateway. [116]

214.   Lanarkshire Enterprise Services Ltd said the Business Gateway service:

> has failed to engage effectively with other stakeholders in Scotland and there is currently no mechanism to share development ideas or address criticisms with other bodies. [117]

Members met with Lanarkshire Enterprise Services Ltd.

215.   Interface also noted:

> We would welcome a greater level of proactive engagement from regional Business Gateway offices to develop further opportunities with Interface as the business support services offered by our organisation are highly complementary, offer support to businesses in a joined-up manner and as demonstrated through case studies, provide real impacts for businesses. [118]

216. When we raised these concerns with COSLA's Hugh Lightbody, he said that "there is a difference between a partner and a stakeholder," and whilst COSLA work closely with its partners such as Scottish Enterprise, Highlands and Islands Enterprise and Skills Development Scotland, it does "not see an advantage in having a formal relationship at the national level" with stakeholders such as the FSB and Scottish Chambers of Commerce. Hugh Lightbody explained that this is because relationships between these organisations have matured at the local level. Mr Lightbody did however say, "If they [the stakeholders] believe that there is a need for some kind of formal relationship, that is fine, but we need to look at it in the round. The relationship would not be with just Business Gateway; it would have to be with the systems as a whole." [119]

217. With regard to the stakeholder group, Pamela Stevenson told us that SLAED would be open to looking at how this level of consultation could be reintroduced at a national level. [120]

218. The Cabinet Secretary for Finance, Economy and Fair Work said that "if COSLA wants to restore the national group, I would welcome that because I think it would have a role." He also said that, in his opinion, "if the business community is saying there is a requirement to have a national sounding board, or that level of national engagement, it should be taken seriously." To avoid "another body" with more meetings, he expressed that if there is an opportunity to create a national forum, he would be happy to facilitate that or to see how it can be integrated with something that already exists." [121]

219. **As set out above, the Committee believes that the accountability issues around Business Gateway as a national programme funded by the Scottish Government are unacceptable. We ask the Scottish Government to clarify the accountability structure for Business Gateway. Here we reference the questions raised by the FSB in evidence:**

> *One of the ultimate questions that has come up consistently about delivery is this: if we believe that there is inconsistency and that we are not, in an area, getting the service that we think we should be getting, who do I go to about that? Who do I speak to in COSLA? What will it do? What is the Scottish Government going to do? Is the local authority going to do something? The sanctions for failure to meet contract are completely unclear to me.*

220. **The Committee is aware of the expertise that exists within business representative groups such as FSB and Chambers of Commerce; they are well placed to advise the service providers what support businesses need and to give feedback with an aim to continuous improvement of Business Gateway services. Direct client engagement and feedback also has a valuable role to play.**

221. **The Committee recommends that the Business Gateway Stakeholder Group is re-established to encourage collaboration and wider alignment discussed earlier in the report**

Role of regional hubs

222.   We welcomed the opportunity to visit Elevator in Aberdeen. Elevator is contracted to deliver Business Gateway services across two regions within Scotland (Aberdeen City and Shire and Tayside). We were told during our visit, that vibrant start-up economies outside of the UK are characterised by centres (or beacons) of entrepreneurship. Elevator outlined their social enterprise reinvestment model and presented an independent report on its effectiveness. [122]

223.   This report said that £580k has been reinvested by Elevator into the economy as a result of its commercial activities and social enterprise structure. It also said that the creation of the Regional Centre for Entrepreneurship in Aberdeen has seen start-up business activity increase significantly and that Elevator is a particularly effective deliverer of Business Gateway services. Elevator believes that there is a range of proven benefits of its regional hub model and stressed that Business Gateway needs to collaborate and connect better across all the regions of Scotland to share best practice. [123]

224.   Elevator told us that their regional enterprise centres were the best solution to simplifying the business support landscape and bringing together all the different services in a region. Professor McEwan, Director of Elevator noted:

> To have everything fragmented and to have people going into vanilla spaces that fail to inspire them and fail to provide integration and peer-to-peer support is not the way forward. The way forward is to have larger regional centres that provide an example of how 8 per cent or 9 per cent of the population can produce 14 per cent of the start-ups—which is what happens when that approach is taken. [124]

225.   Professor McEwan described the Elevator model to the Committee:

> When someone walks into our centre in Aberdeen or Dundee, they can interact with Business Gateway - it is the heartbeat. Banks, accountants and lawyers are also represented in the same space. We have the local authority planning department, the chamber of commerce is downstairs and the FSB comes in regularly. The concept is to create a regional hub of entrepreneurship that is the go-to place for people to access everything that they need...my vision is that what we have created will be replicated in all our cities and connected up. That would make us the best in class globally. [125]

Members met with Elevator at its Regional Centre for Entrepreneurship in Aberdeen

Source:

226.   During evidence, Keith Devine also told us about RBS accelerator hubs:

> Scotland is well served by accelerator hubs. We have two-one in Edinburgh and one in Glasgow-and they work very well. So far, we have helped around 800 businesses, which, in turn, have created 2,000 jobs. I consider it a very important statistic that the typical survival rate after 18 months for businesses that are given such support is around 85 per cent, as opposed to the UK average of 20 per cent for businesses without it. [126]

227. Universities Scotland advocated co-location of Business Gateway with Universities, as exists at Queen Margaret University. This has boosted the number of referrals for research and development through the University's Business Innovation Zone. Universities Scotland believes that there is scope to enhance referrals with this approach. [127]

228. **The Committee recognises the benefits of stakeholder collaboration and regional centres of entrepreneurship. We believe that local Business Gateway offices should look for opportunities to improve collaboration with stakeholders, be it through co-location or other means, and learn lessons from best practice models. Again, this would encourage the alignment that is needed in the delivery of support to businesses across the country.**

SME access to finance

229.   During our inquiry into Scotland's Economic Performance, Jim McColl, Scottish entrepreneur and business owner, told us that "there is nothing more important than the financial support offered to businesses." [128] We were told that the type of finance on offer to companies in Scotland is not as varied as in other countries. Laurie MacFarlane, Research Associate at UCL Institute for Innovation and Public Purpose, argued that the UK banking market has become concentrated in recent years, whereas in other European countries there is far more choice and product variation. Local banks also have higher levels of client based discretion. As part of this inquiry, we therefore held a focused session on SME's access to finance.

230.   RBS did not think that a lack of banking products was holding back business growth. Keith Devine from RBS said that:

> Ten years ago, perhaps there was a supply problem, but things have moved on significantly since then, and our experience is that we have funds available to lend to the right businesses that are able to pay those loans back in future. [129]

231.   At this session, Business Loans Scotland told us:

> we are there to fill the gap that is left by the private sector. Otherwise, there would be no remit for us to get involved in economic development, because the private sector would be doing what it is supposed to do. However, that gap definitely exists. [130]

232.   In our survey, respondents told us that no overview is available of the funding landscape in Scotland. They said it is difficult to get information on what is available and the qualifying criteria. This could mean that there is a lack of knowledge rather than a lack of products.

Business case study - Business Fives Ltd

Members met with Business Fives Ltd in Edinburgh. Managing Director John McClarey told us that it would be useful to have a 'crash course' on business finance. He said that he has not been educated in finance and does not know enough about it. A course in small business finance would be very beneficial, including an overview of the banks, local authority products, etc. [131]

233.   Scottish EDGE is a competition aimed at identifying and supporting Scotland's up-and-coming, innovative, high-growth potential entrepreneurial talent, and is also designed to fill a gap. We heard that it is a successful programme and a good example of how different partners can come together, "cleverly blended to meet the needs of entrepreneurs." EDGE was described by Professor McEwan as "a masterstroke in bridging the gap between risk and risk aversion." [132]

234.   Fiona Godsman from the Scottish Institute for Enterprise said:

> The angel community in Scotland is very good, and programmes such as Scottish EDGE have usefully plugged a gap....however, there are other students who need a bit more investment-perhaps £0.5 million or £1 million-very early on. That is where they start to struggle, and they end up disappearing- they go off to London or wherever. [133]

235. According to Rachael Brown, "we are seeing some really innovative ideas, but they are taking far too long to get off the ground because the money is just not enough." [134]

236. Initiatives such as Techstars in the United States, we were told, help bring together businesses and investors. Fiona Godsman said that the Engage, Invest, Exploit (EIE) programme is trying to replicate something similar in Scotland, but it has a specific focus. She said we must ensure that all talented individuals get exposure to these big money investors. [135]

Business case study - Oodls

As part of this inquiry, members met with Sarah Stenhouse, Director of Oodls. In terms of grants and funding, Sarah told us that she couldn't fault the system. Whenever she has needed a grant she has been able to get one. However, moving forward and scaling, she feels that she may need to go to London or America as there isn't as much capital in Scotland. There are limited syndicates with many entrepreneurs competing for the same pool of money. She has found Scottish Enterprise helpful in supporting her business. Sarah won a Scottish EDGE award in 2018. Sarah has not been supported by the banks. They were unwilling to lend to Sarah as she had a new business with no track record. This extends to all credit as Sarah can't get credit cards or a mortgage. Sarah has not tried subsequently to get help from the banks as she has been managing without them. [136]

Women

237. We heard evidence from Women's Enterprise Scotland and Close the Gap, which indicated that women are far less likely to be able to access finance than men. They explained that this is partly because of the ways in which services were articulated, presented and targeted: they were not gender aware, and there were some inherent views about particular types of business, with some being written off as lifestyle businesses.

238. Close the Gap wrote in their submission:

> Women-led businesses start with lower levels of overall capitalisation, use lower ratios of debt finance (about a third of that used by male-led businesses), and are much less likely to use private equity or venture capital. [137]

239. The particular issues that women have accessing finance were highlighted to the Committee during the gender pay gap, economic performance and business support inquiries. 60 women in business specialists have been appointed by RBS to address these concerns. Keith Devine told us that RBS has two entrepreneurial hubs to support businesses that have the ambition and potential to grow. 43% of the businesses that are going through that programme are female-led. He said "we are aware of our responsibilities to help female entrepreneurs and business owners, and we will seek to continue to do that." [138]

240.   **The Committee notes evidence that some businesses are not aware of the options available for funding and that knowledge of business finance can be limited for those starting out in business. The Committee asks the Business Gateway National Unit to consider its offer in relation to funding and finance and how this could be improved to address these concerns.**

Overall conclusion

241. **In 2018, it was ten years since the Scottish Government transferred Business Gateway and local regeneration activities to Scotland's local authorities. With ten years having passed since reforms were introduced, now is a good time to explore the effectiveness and efficiency, as well as the various experiences, of Scotland's business support provision.**

242. **There is a range of business support, advice and products available to businesses and during this inquiry we heard that this is a strength of the Scottish system. There is much to be commended, but opportunities have also been missed to align local and national economic priorities and improve ease of access to services by businesses. Business Gateway has evolved organically and does not perform the function that was initially intended. A decade on from its inception, the Committee has found that revisiting this role and purpose of Business Gateway is necessary to improve alignment.**

243. **The Committee is concerned about the lack of transparency, accountability and alignment in relation to Business Gateway services. In this report we have recommended a number of ways in which this can be addressed, including the publication of budget and performance information.**

244. **The approach in Ireland provides a mix of tailored local delivery and national strategic direction. We ask the Scottish Government to review the Irish model and consider whether this model, or elements of it, are applicable in the Scottish context to overcome the current accountability and alignment challenges. The Committee believes that such a review is necessary to improve the offer to businesses across Scotland.**

Annex A - Core Business Gateway funding

	Aberdeen City & Shire	Tayside	Argyll and Bute	Edinburgh & Lothian[viii]	Forth Valley[ix]	Dumfries and Galloway[x]	East Ayrshire
2008-09	1,163,162	1,053,402	-	1,626,000	882,000	-	274,373
2009-10	1,260,304	1,081,910	274,234	1,626,000	882,000	-	274,000
2010-11	1,361,431	1,327,763	282,401	1,626,000	882,000	-	273,787
2011-12	1,421,323	1,285,669	314,569	1,626,000	882,000	-	321,667
2012-13	1,514,939	1,234,940	279,447	1,626,000	882,000	434,000	321,700
2013-14	1,270,654	1,167,334	298,586	1,626,000	882,000	459,000	305,025
2014-15	1,342,497	1,253,306	288,846	1,626,000	882,000	418,000	312,077
2015-16	1,342,158	1,222,936	323,016	1,626,000	882,000	391,000	291,024
2016-17	1,349,276	1,111,839	302,416	1,626,000	882,000	336,000	291,024
2017-18	1,342,489	1,201,851	316,792	1,626,000	882,000	-	291,024
Spend £ per local unit[xi] 2016-17	49.31	65.81	61.91	45.19	80	43.81	70.64
Spend £ per enterprise[xii] 2016-17	59.45	83.04	78.14	56.88	100.4	53.55	90.24

	Dunbartonshire[xiii]	Renfrewshire	Fife[xiv]	Glasgow City	Highland	Moray	Na h-Eileanan Siar
2008-09	207,400	604,000	950,438	-	-	-	-
2009-10	435,570	604,000	950,438	1,290,000	881,723	245,000	61,869
2010-11	435,570	604,000	950,438	1,290,000	861,992	245,000	177,000
2011-12	435,570	604,000	855,938	1,290,000	813,617	245,000	177,000
2012-13	435,570	604,000	913,438	1,290,000	764,541	245,000	177,000
2013-14	435,570	604,000	1,021,938	1,290,000	730,777	245,000	177,000
2014-15	435,570	604,000	960,938	1,290,000	673,120	245,000	177,000
2015-16	435,570	604,000	960,938	1,290,000	578,300	245,000	177,000
2016-17	435,570	603,800	895,000	1,290,000	591,300	245,000	177,000
2017-18	435,570	603,800	895,000	1,290,000	560,897	227,000	177,000
Spend £ per local unit[xv] 2016-17	72.29	52.9	73.88	53.26	43.05	60.27	121.23
Spend £ per enterprise[xvi] 2016-17	89.99	67.58	93.42	71.43	55	76.68	151.93

viii Edinburgh and Lothians also has additional ERDF and Digital Boost funding. In 2017/18, these were £143k (ERDF) and £196k (Digital Boost)

ix Forth Valley figures don't include £80k management fee for Falkirk Council. Nor does it include ERDF funds to deliver additional business support activity (2016-18 £1.1m and a further application on £1.5m has been submitted for 2019-21)

x Dumfries and Galloway submission stated that spend information is only retained for 5 years.

xi A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a workplace.

xii An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

xiii Dunbartonshire's Plus Programme uses additional ERDF funding of approximately £10k p.a.

xiv Fife also have additional SG funds via ERDF, Digital Boost, Fife Task Force (totalling £331k in 17/18). Also doesn't include Fife investment in BG for Financial Support to Businesses, Social Enterprise Adviser, trade development, and other local budget contributions (totalling £317k in 17/18)

	Lanarkshire[xvii]	Orkney Islands	Scottish Borders[xviii]	Shetland Islands	North Ayrshire	South Ayrshire[xix]	Scotland
2008-09	1,404,001	21,600	-	-	308,373	-	8,494,749
2009-10	1,485,058	151,200	-	132,769	308,373	-	11,944,448
2010-11	1,421,524	134,100	-	134,705	307,787	-	12,315,498
2011-12	1,331,440	138,200	-	164,506	355,667	-	12,262,166
2012-13	1,189,325	156,400	-	143,247	355,700	-	12,567,247
2013-14	1,146,206	126,500	-	129,664	339,025	-	12,254,279
2014-15	1,231,172	140,900	-	181,402	346,077	-	12,407,905
2015-16	1,421,979	165,600	-	157,185	325,024	-	12,438,730
2016-17	1,707,919	166,600	303,000	159,154	279,773	295,000	13,047,671
2017-18	1,209,919	158,600	303,027	153,683	-	295,000	11,969,652
Spend £ per local unit[xx] 2016-17	77.92	97.71	50.21	86.73	59.46	64.34	58.84
Spend £ per enterprise[xxi] 2016-17	104.14	113.33	60.06	106.81	84.78	82.75	74.72

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xv A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a workplace.

xvi An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

xvii Spend for North and South Lanarkshire in 2017/18 figure is approximate and is expected to increase, as it doesn't include the 10% outcome payment.

xviii Scottish Borders made no submission to the Committee. Thus, the used figure was sourced from the Business Gateway Business Plan on LA webpage. Note it was not clear if core grant only or additional LA funding was included in the total.

xix South Ayrshire only provided data for the overall economic development budget of £295,000 which includes Business Gateway delivery.

xx A local unit is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a workplace.

xxi An enterprise can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

Annex B - Minutes of Meetings

24th Meeting, 2018 (Session 5), Tuesday 11 September 2018

Business Support (in private): The Committee considered and agreed its approach to the inquiry.

31st Meeting, 2018 (Session 5) Tuesday 13 November 2018

2. Business Support Inquiry: The Committee took evidence from—

- Liz Cameron, Chief Executive, Scottish Chamber of Commerce;

- Susan Love, Policy Manager, Federation of Small Businesses;

- Matt Lancashire, Director of Policy and Public Affairs, SCDI;

- Lynne Cadenhead, Chair of Women's Enterprise Scotland, Women's Enterprise Scotland;

- Pamela Stevenson, Business Group Chair, SLAED;

- Graham Smith, Group Manager - Business Growth, Glasgow City Council;

- Dr Siobhán Jordan, Director, Interface;

- Pamela Reid, Director, Ekosgen;

- Jan Falconer, Head of Economic Development, Dumfries and Galloway Council.

4. Business Support Inquiry (in private): The Committee considered the evidence heard at today's meeting.

32nd Meeting, 2018 (Session 5), Tuesday 20 November 2018

2. Business Support Inquiry: The Committee took evidence from—

- Rachael Brown, Chief Executive Officer, Cultural Enterprise Office;

- Douglas Westwater, Executive Director, Community Enterprise;

- Fiona Godsman, Chief Executive, Scottish Institute for Enterprise.

4. Business Support Inquiry: The Committee considered the evidence heard at today's meeting.

33rd Meeting, 2018 (Session 5), Tuesday 27 November 2018

2. Business Support Inquiry: The Committee took evidence from—

- Professor Gary McEwan, Chief Executive, Elevator;

- Keith Devine, Senior Director, Business Banking, Royal Bank of Scotland;

- Andrew Dickson, Fund Manager, Business Loans Scotland.

Jamie Halcro Johnston declared an interest as a Director of Campaignhouse Ltd that banks with the Royal Bank of Scotland

4. Business Support Inquiry (in private): The Committee considered the evidence heard at today's meeting.

35th Meeting, 2018 (Session 5), Tuesday 18 December 2018

2. Business Support Inquiry: The Committee took evidence from—

- Hugh Lightbody, Chief Officer, Business Gateway National Unit, and Jamie Fowler, Customer Service and Partnership Manager, Business Gateway, COSLA;

- Derek Mackay, Cabinet Secretary for Finance, Economy and Fair Work, James Muldoon, Head of Entrepreneurship and Enterprise Support Policy, and Richard Rollison, Deputy Director, Innovation, Industries and Investment, Scottish Government.

5. Business Support Inquiry (in private): The Committee considered the evidence heard at today's meeting and its approach to the report.

3rd Meeting, 2019 (Session 5), Tuesday 22 January 2019

5. Business Support Inquiry (in private): The Committee considered a draft report, various changes were agreed to, and the Committee agreed to consider a revised draft in private at a future meeting.

5th Meeting, 2019 (Session 5) Tuesday 5 February 2019

4. Business Support Inquiry (in private): The Committee considered a draft report, various changes were agreed to, and the Committee agreed to approve by correspondence.

Annex C - Written Evidence

Written Submissions to the Call for Views

- Autolink UK Ltd

- Scottish Local Authorities Economic Development (SLAED) Group

- COSLA

- Close the Gap

- Interface

- Elevator

- Women's Enterprise Scotland

- Universities Scotland

- Highlands and Islands Enterprise

- Skills Development Scotland

- Lanarkshire Enterprise Services

- STUC

- Scottish Chambers of Commerce

- Scottish Enterprise

- Federation of Small Businesses

- Comhairle nan Eilean Siar Development Department

- Glasgow City Council

- Highland Council

- Orkney Islands Council

- Stirling Council

- Falkirk Council

In addition to the call for views, the Committee wrote to local authorities.

- Letter to local authorities

- Aberdeen City Council

- Aberdeenshire Council

- Angus Council

- [Argyll and Bute Council](#)

- [City of Edinburgh Council](#)

- [Comhairle nan Eilean Siar](#)

- [Dumfries and Galloway Council](#)

- [Dundee City Council](#)

- [East Ayrshire Council](#)

- [East Lothian Council](#)

- [East Renfrewshire Council](#)

- [Falkirk Council](#)

- [Fife Council](#)

- [Highland Council](#)

- [Moray Council](#)

- [North Ayrshire Council](#)

- [North Lanarkshire Council](#)

- [Orkney Islands Council](#)

- [Perth & Kinross Council](#)

- [Shetland Council](#)

- [South Ayrshire Council](#)

- [Renfrewshire Council](#)

- [South Lanarkshire Council](#)

- [West Dunbartonshire Council](#)

- [West Lothian Council](#)

Supplementary Evidence

- [Business Loans Scotland performance infographic to December 2018](#)

- [Business Loans Scotland SME access to debt finance figures](#)

- [Letter from Royal Bank of Scotland on SME lending](#)

- [COSLA Business Gateway National Service Specification](#)

- [COSLA qualification specification for the Diploma in Business and Enterprise Support (Premier Adviser)](#)

- COSLA - Business Gateway National Unit - Equality monitoring data

Online Survey

The Committee has launched a survey asking about business support. The Scottish Parliament Information Centre (SPICe) analysis of the Survey is available here:

Analysis of the Business Support Survey

Correspondence

The Committee wrote to COSLA on 21 November and 11 December seeking further information. COSLA responded on 14 December.

- Letter to COSLA, 21 November

- Letter to COSLA, 11 December

- Response from COSLA

Annex D - Visits and Events

On 26 November 2018, Committee members visited Dublin to find out about business support in Ireland. They met with the Department for Business, Enterprise and Innovation, Enterprise Ireland and visited a Local Enterprise Office (LEO) in Fingal.

- [The Department for Business, Enterprise and Innovation](#)

- [Enterprise Ireland](#)

- [Fingal LEO and Cult Drinks](#)

A visit to Lanarkshire Enterprise Services Ltd took place on 13 November 2018

- [Lanarkshire Enterprise Services Ltd](#)

Committee members went to Inverness and Aberdeen on 3 and 4 December 2018. They met with the following businesses and organisations.

- [Highland Council](#)

- [Highland and Islands Enterprise](#)

- [Business Gateway Inverness](#)

- [Beastie Boats](#)

- [Proterra Energy Ltd](#)

- [Bad Girl Bakery](#)

- [Highland Biosciences](#)

- [Elevator](#)

- [Supplementary letter from Elevator 17 December 2018](#)

Committee members also had meetings in Edinburgh on 10 and 20 December 2018.

- [Business Fives Ltd](#)

- [Oodles](#)

[1]   SPICe Spotlight Blog. (2018, December). Scotland's Business Base and Entrepreneurship. Retrieved from https://spice-spotlight.scot/2018/12/06/scotlands-business-base-and-entrepreneurship/

[1]   SPICe Spotlight Blog. (2018, December). Scotland's Business Base and Entrepreneurship. Retrieved from https://spice-spotlight.scot/2018/12/06/scotlands-business-base-and-entrepreneurship/

1   https://www2.gov.scot/News/Releases/2007/09/26143846

2   Chamber of Commerce, written evidence

3   EEFW Committee, Official Report, 27 November, col 2

4   Analysis of business support survey results, survey respondent

5   Analysis of business support survey results, survey respondent

6   EEFW Committee, Official Report, 20 November 2018, col 32

7   Lanarkshire Enterprise Services Ltd (LESL), written evidence

8   EEFW Committee, Official Report, 18 December 2018, col 5

9   EEFW Committee, Official Report, 18 December 2018, col 5

10   Lanarkshire Enterprise Services Ltd (LESL), written evidence

11   EEFW Committee, Official Report, 13 November 2018, col 36

12   EEFW Committee, Official Report, 13 November 2018, col 16

13   EEFW Committee, Official Report, 18 December 2018, col 3-4

14   EEFW Committee, Official Report, 13 November 2018, col 3

15   COSLA, written evidence

16   Highland Biosciences note

17   Bad Girl Bakery note

18   EEFW Committee, Official Report, 19 December 2017, col 11

19   EEFW Committee, Official Report, 20 November 2018, col 32

20   EEFW Committee, Official Report, 13 November 2018, col 10

21   EEFW Committee, Official Report, 18 December 2018, col 27

22   EEFW Committee, Official Report, 18 December 2018, col 3

23   EEFW Committee, Official Report, 13 November 2018, col 37

24   EEFW Committee, Official Report, 13 November 2018, col 37

25   EEFW Committee, Official Report, 18 December 2018, col 44 18

26   The Strategic Board was created in November 2017 in response to the Enterprise and Skills Review. Its objective is to align and co-ordinate the activities of Scotland's enterprise and skills agencies: Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and the Scottish Funding Council.

27   EEFW Committee, Official Report, 8 January 2019, col 42

28   Highlands and Islands Enterprise, written evidence

29   EEFW Committee, Official Report, 18 December 2018, col 12

30   EEFW Committee, Official Report, 18 December 2018, col 13

31   Analysis of business support survey results, survey respondent

32   Analysis of business support survey results, survey respondent

33   EEFW Committee, Official Report, 18 December 2018, col 14

34   EEFW Committee, Official Report, 27 November 2018, col 14

35   EEFW Committee, Official Report, 13 November 2018, col 10-11

36   EEFW Committee, Official Report, 13 November 2018, col 24

37   EEFW Committee, Official Report, 13 November 2018, col 25

38   Analysis of business support survey results, survey respondent

39   EEFW Committee, Official Report, 13 November 2018, col 14

40   EEFW Committee, Official Report, 13 November 2018, col 7

41   EEFW Committee, Official Report, 13 November 2018, col 42

42   EEFW Committee, Official Report, 13 November 2018, col 50

43   EEFW Committee, Official Report, 13 November 2018, col 12

44   EEFW Committee, Official Report, 20 November 2018, col 32

45   EEFW Committee, Official Report, 13 November 2018, col 14

46   EEFW Committee, Official Report, 13 November 2018, col 14

47   EEFW Committee, Official Report, 13 November 2018, col 8

48   EEFW Committee, Official Report, 18 December 2018, col 12

49   EEFW Committee, Official Report, 13 November 2018, col 26

50   EEFW Committee, Official Report, 8 January 2019, col 42

51   EEFW Committee, Official Report, 18 December 2018, col 22

52   EEFW Committee, Official Report, 18 December 2018, col 30

53   COSLA, written evidence

54   EEFW Committee, Official Report, 13 November 2018, col 36

55   EEFW Committee, Official Report, 13 November 2018, col 10

56   EEFW Committee, Official Report, 13 November 2018, col 15

57   Highlands and Islands Enterprise, written evidence

58   Glasgow City Council, written evidence

59   DBEI note

60   EEFW Committee, Official Report, 27 November 2018, col 10

61   EEFW Committee, Official Report, 27 November 2018, col 10

62   EEFW Committee, Official Report, 13 November 2018, col 23

63   EEFW Committee, Official Report, 18 December 2018, col 31

64   European Structural and Investment Funds, letter to Minister for Trade, Investment and Innovation, 3 October

65   Scottish Chambers of Commerce, written evidence

66   Scottish Enterprise, written evidence

67   Highlands and Islands Enterprise, written evidence

68   Scottish Enterprise, written evidence

69   Universities Scotland, written evidence

70   East Renfrewshire Council, written evidence

71   Proterra note

72   Highland Biosciences note

73   EEFW Committee, Official Report, 13 November 2018, col 3

74   EEFW Committee, Official Report, 13 November 2018, col 34

75   EEFW Committee, Official Report, 20 November 2018, col 24

76   Analysis of business support survey results, survey respondent

77   EEFW Committee, Official Report, 13 November 2018, col 33

78   Elevator note

79   Analysis of business support survey results, survey respondent

80   EEFW Committee, Official Report, 13 November 2018, col 6

81   EEFW Committee, Official Report, 27 November 2018, col 22

82   EEFW Committee, Official Report, 27 November 2018, col 23

83   EEFW Committee, Official Report, 18 December 2018, col 4

84   5th Report 2018 (Session 5): Scotland's Economic Performance

85   EEFW Committee, Official Report, 27 November 2018, col 4

86   DBEI note

87   FSB, written evidence

88   EEFW Committee, Official Report, 13 November 2018, col 27

89   COSLA Equality Monitoring, supplementary written evidence

90   EEFW Committee, Official Report, 18 December 2018, col 19

91   EEFW Committee, Official Report, 13 November 2018, col 53-54

92   EEFW Committee, Official Report, 13 November 2018, col 26-29

93   EEFW Committee, Official Report, 13 November 2018, col 53

94   EEFW Committee, Official Report, 13 November 2018, col 53-54

95   EEFW Committee, Official Report, 18 December 2018, col 19

96   EEFW Committee, Official Report, 13 November 2018, col 26

97   Close the Gap, written evidence

98   EEFW 5th Report 2018 (Session 5): Scotland's Economic Performance

99   Analysis of business support survey results, survey respondent

100   EEFW Committee, Official Report, 13 November 2018, col 28

101   EEFW Committee, Official Report, 13 November 2018, col 20

102   STEP, written evidence

103   EEFW Committee, Official Report, 13 November 2018, col 27

104   EEFW Committee, Official Report, 27 November 2018, col 14

105   EEFW Committee, Official Report, 18 December 2018, col 4

106   Beastie Boats and Oodls note

107   EEFW 6th Report, 2017 (Session 5): No Small Change: The Economic Potential of Closing the Gender Pay Gap

108   EEFW Committee, Official Report, 20 November 2018, col 4

109   EEFW Committee, Official Report, 27 November 2018, col 15

110   EEFW Committee, Official Report, 13 November 2018, col 25

111   EEFW Committee, Official Report, 20 November 2018, col 6

112   Lanarkshire Enterprise Services Ltd (LESL) note

113 EEFW Committee, Official Report, 27 November 2018, col 18

114 Business Fives Ltd note

115 EEFW Committee, Official Report, 13 November 2018, col 25

116 EEFW Committee, Official Report, 13 November 2018, col 25

117 EEFW Committee, Official Report, 18 December 2018, col 7

118 Interface, written evidence

119 EEFW Committee, Official Report, 18 December 2018, col 8

120 EEFW Committee, Official Report, 13 November 2018, col 49

121 EEFW Committee, Official Report, 18 December 2018, col 43-44

122 Elevator note

123 Elevator note

124 EEFW Committee, Official Report, 27 November 2018, col 19

125 EEFW Committee, Official Report, 27 November 2018, col 19

126 EEFW Committee, Official Report, 27 November 2018, col 12

127 Universities Scotland, written evidence

128 EEFW Committee, Official Report, 30 January 2018, col 34

129 EEFW Committee, Official Report, 27 November 2018, col 5

130 EEFW Committee, Official Report, 27 November 2018, col 6

131 Business Fives Ltd note

132 EEFW Committee, Official Report, 27 November 2018, col 25

133 EEFW Committee, Official Report, 27 November 2018, col 27

134 EEFW Committee, Official Report, 27 November 2018, col 27

135 EEFW Committee, Official Report, 20 November 2018, col 27-28

136 Oodls note

137 Close the Gap, written evidence

138 EEFW Committee, Official Report, 27 November 2018, col 14