

BACKGROUND REPORT

<u>Name of Committee:</u>	Enterprise, Planning and Infrastructure
<u>Date of Meeting:</u>	19 March 2013
<u>Title of Report:</u>	Support for Small and Medium Enterprises (SMEs)
<u>Lead Officer:</u>	Gordon McIntosh, Corporate Director
<u>Author of Report:</u>	Elaine Robertson, Business Growth Manager

Summary of Purpose of Report

The report provides background information in response to Councillor Martin Greig's Notice of Motion:

“That the Council recognises and appreciated the key role that micro, small and medium sized local businesses, including shops and single traders in Aberdeen, as economic generators which play a major part in determining and enhancing the quality of life across the city.

That this Council undertakes a broad-ranging review to identify specific ways that the Council and its partners can work together to support and foster micro, small and medium sized business activity.

To this end, that the Council carries out a consultation exercise to enable micro, small and medium sized business people to have their say in identifying specific suggestions and proposals; and that report is produced with recommendations for action.”

Aberdeen City Council is an active member of Aberdeen City and Shire Economic Future (ACSEF), the public-private economic development partnership for the North East of Scotland.

“Building on Success”, the Economic Action Plan for Aberdeen City and Shire for 2013-2018,

<http://www.acsef.co.uk/uploads/reports/30/The%20Economic%20Action%20Plan%20for%20Aberdeen%20City%20and%20Shire%202013-18%20-%20Final.pdf>

drives the economic development strategy for the region. The Council's activities to support economic growth link not only to this document, but also to Smarter Aberdeen, the policy statement of the City Council's political administration, and to the Council's corporate and directorate business plans.

Direct support for start-ups and growth is delivered by the national Business Gateway service, funded by central Government. Aberdeenshire Council manages this contract for the City (and Shire) areas on behalf of Aberdeen City Council.

The Business Gateway service particularly targets pre-start-ups, sole traders and micro businesses, as well as community enterprises and small-medium sized businesses that are looking to grow.

Support is offered in the form of a very wide range of online and face to face training, advice and guidance and workshops on finance, marketing, employing people, business planning etc.

Successful partnership working is particularly important in the field of economic development and business support, to ensure there is no duplication of service, and likewise to minimise any gaps in provision.

The Council's Economic and Business Development team works with other organisations and trade associations, such as the Federation of Small Businesses, Scottish Business in the Community, Enterprise North East Trust, Aberdeen and Grampian Chamber of Commerce etc, to support small and medium sized businesses.

The Centre for Cities Outlook 2012 reported that "...some cities such as London, Aberdeen and Milton Keynes are well placed to support the creation of the jobs and growth that will address the UK's unemployment challenge. This is because of their high numbers of business start-ups, high percentage of knowledge workers and more innovative economies."

The same report also highlighted that **"Aberdeen is the only city in the UK that had more businesses start than close in 2010."**

Some examples of the way in which businesses are being or have been supported by the Economic and Business Development team include

- Retail Rocks in Torry (focused on micro businesses)
- Business Improvement District
- Community Business Competition
- Positive Procurement Programme
- Sponsorship of two business awards
- Advice on commercial land and property
- Biennial International Trade Survey
- Chairing North East Scotland Trade Group; Construction Forum etc
- Hosting regular inward business delegations
- Supporting local companies' presence at trade exhibitions and conferences
- Catalyst to establish the Unconventional Gas Aberdeen conference
- Provision of export market intelligence

- Major initiative to support improved digital connectivity
- Successful bids for European funding, especially in the areas of low carbon economy, including green transport and the built and natural environment
- Support (funding and seconded staff) for the Aberdeen Renewable Energy Group and Aberdeen City and Shire Economic Future
- Participation in ACSEF Skills Group, Aberdeen Works etc

The Economic and Business Development service is in regular contact with local businesses, both directly including face-to-face, and indirectly via trade associations. This regular contact enables the team to tailor its services according to business need.

It must be emphasised that, in order to achieve maximum value for money, the team targets its limited staffing and budget resources towards areas where they can have most impact. This tends to be focused primarily, but not exclusively, on small businesses involved in the energy industry, and frequently involves joint working with partner organisations.

The recent re-establishment of the North East Scotland Trade Group, which brings all relevant organisations around the table to share information, and coordinate strategy and activity, is a good example of how the Council's contact with business and trade organisations works well in practice.

Work is currently ongoing to enhance the support to small businesses, by:

- identifying SME business development needs
- determining whether these needs are being met or whether there are any service gaps that Business Gateway, Scottish Enterprise or ACC's Business Growth Team could effectively fill, given likely available resources
- assessing how the Council, and existing partner organisations, might best respond to any service gaps and/or enhance the support to small businesses
- commissioning additional service provision from Enterprise North East Trust to bridge the gaps.

The team will continue to liaise closely with partner organisations to share findings from respective surveys to avoid over-surveying companies.

The Economic and Business Development Business Plan to be brought forward to Committee in Spring 2013 will include proposed programmes and initiatives to continue to improve the impact of the support provided to businesses in the City.

For more information, please contact Elaine Robertson, Business Growth Manager, at elrobertson@aberdeencity.gov.uk