

Economy, Energy and Tourism Committee

2nd Report, 2011 (Session 4)

**Business Gateway - contract
renewals**

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The Scottish Parliament
Pàrlamaid na h-Alba

Economy, Energy and Tourism Committee

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Economy, Energy and Tourism Committee

Remit and membership

Remit:

The remit of the Committee is to consider and report on the Scottish economy, enterprise, energy, tourism and renewables and all other matters within the responsibility of the Cabinet Secretary for Finance, Employment and Sustainable Growth apart from those covered by the remit of the Local Government and Regeneration Committee and matters relating to the Cities Strategy falling within the responsibility of the Cabinet Secretary for Health, Wellbeing and Cities Strategy.

Membership:

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The Scottish Parliament
Pàrlamaid na h-Alba

Economy, Energy and Tourism Committee

2nd Report, 2011 (Session 4)

Business Gateway - contract renewals

The Committee reports to the Parliament as follows—

INTRODUCTION

1. This report sets out the Committee's findings in relation to its inquiry into the renewal of the contracts for Business Gateway services. Our inquiry took place between September and October 2011.

Evidence

2. The Committee received 17 written submissions in response to its call for evidence. During the inquiry, the Committee heard evidence from the following witnesses:

14 September 2011

Colin Borland, Head of External Affairs, Federation of Small Businesses;

Duncan Thorp, Parliamentary, Policy and Communications Officer, Scottish Social Enterprises Coalition;

Naomi Johnson, Executive Director, Firstport;

Richard Whitcomb, Associate Director, Ekosgen;

Marjorie Miller, Manager, Business Adviser Team, and David Coyne, Business and the Economy Manager, Glasgow City Council;

Sally Collinson, Business Gateway Manager, Aberdeenshire Council;

Hugh Lightbody, Team Leader National Business Gateway Unit, COSLA;

Isabell Majewsky, Chief Executive, Go Group;

Name to follow, Comhairle nan Eilean Siar Western Isles Council;

Kate Fraser, Senior Development Officer, Argyll & Bute Council.

21 September 2011

David Valentine, Chair of the Business Gateway Board and Chair of the Business Gateway External Stakeholders Group;

Pamela Stevenson, Chair, Business Gateway Operational Network;

Alex Anderson, Chair of the Scottish Local Authorities Economic Development Group (SLAED) and Member of the Business Gateway External Stakeholders Group;

Fergus Ewing MSP, Minister for Energy, Enterprise and Tourism, John Mason, Director of Business, and Mary McAllan, Head of Enterprise and Tourism: Local Economic Development, Scottish Government.

The remit of the inquiry

3. The inquiry sought the views of Business Gateway service users and providers regarding the strengths and weaknesses of the service with a view to making recommendations to feed into the imminent Business Gateway contract renewal process.

4. As part of the inquiry, the Committee sought evidence on the following specific issues—

- How successful have the previous contracts been in securing effective business support services?
- What should comprise the “core services” in the new contracts, at a time when resources for local economic development, which are not ring-fenced, may be in decline?
- What flexibility will be necessary within the new contracts to allow for changing economic circumstances?
- What is the optimum length for the contracts?
- Are improvements to the marketing of services necessary to enable BG to reach out to all eligible potential clients?
- How can the contracts secure a minimum quality of service provision across the country?
- Should/must BG contracts be based entirely on the Scottish Government’s economic strategy or is there room for local flexibility?

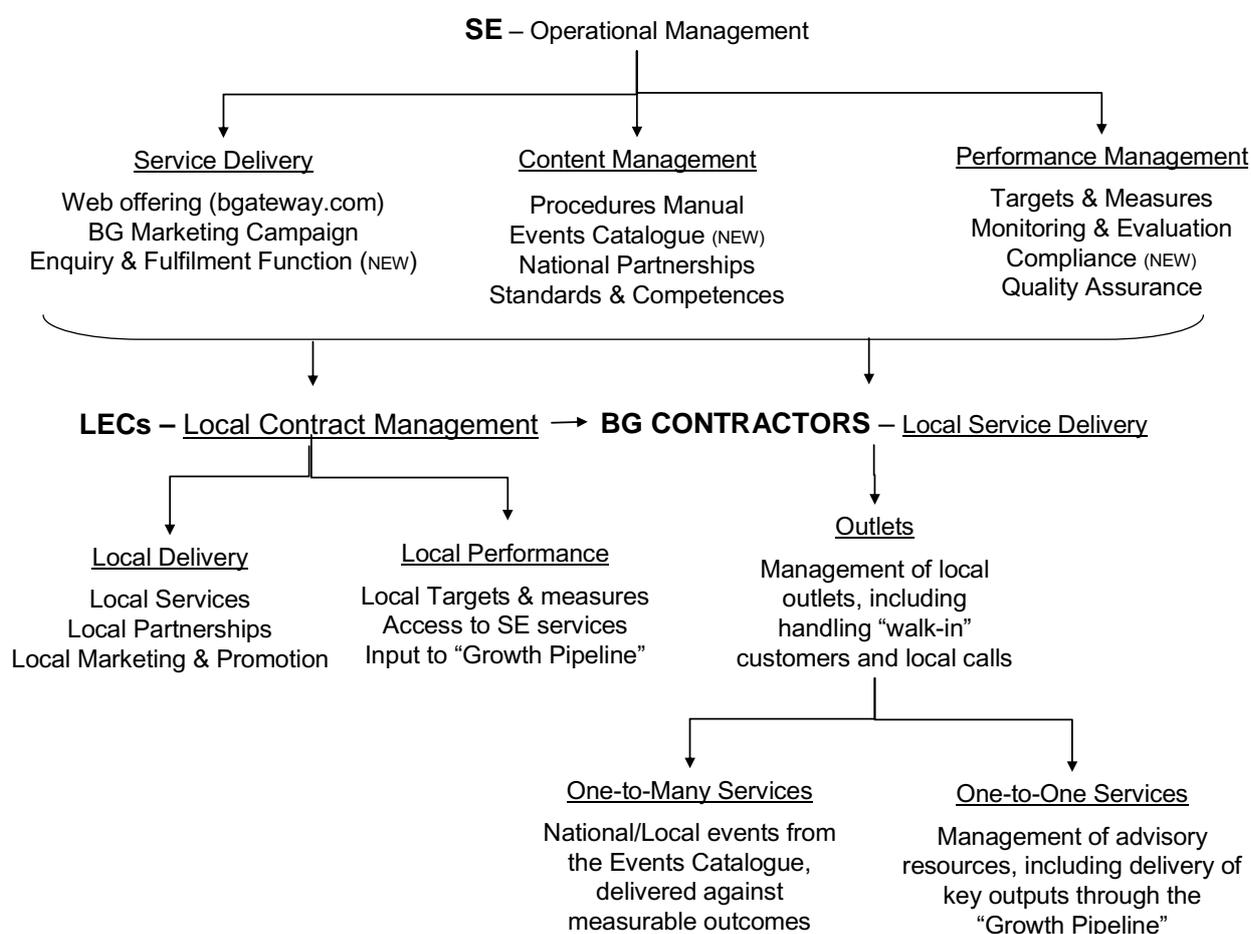
- What targets are appropriate for assessing growth? Should growth be expressed in terms of turnover or are numbers of jobs created or export potential more appropriate?
- How can the contract be designed to ensure BG services are fit to meet the needs of 'non-standard' companies, such as social enterprises, cooperatives, not-for-profit firms etc? How should they work alongside the new [Just Enterprise](#) service?
- What is the most desirable method of contracting for future services (i.e. is there a risk that, under competitive tender, local knowledge and expertise could be lost)? What are the legal and cost implications?
- Is re-tendering over such a long timeframe necessary? What is the risk of disruption to delivery and damage to the morale of staff delivering services?
- How do experiences of in-house delivery compare with outsourced delivery models?
- Has the transfer of services to local authorities promoted a more business-friendly ethos within local authorities as a whole?

BACKGROUND

5. Between 1991 and 2007, Scotland’s enterprise agencies - Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) - operated largely through a decentralised structure of Local Enterprise Companies (LECs). For the most part, there were 10 in the HIE and 13 in the SE operating area. Both HIE and SE provided specialist support and services from their headquarters to the LECs and to national initiatives.

6. The structures in place for delivery of Business Gateway services preceding reform were as follows.

Figure 1: Previous operating structure



Source: Scottish Enterprise

7. In September 2007 the Cabinet Secretary for Finance and Sustainable Growth (the Cabinet Secretary) announced wide-reaching reforms to the enterprise network which were designed to support the implementation of the Scottish Government Economic Strategy. LECs and Local Enterprise Forums

(LEFs) were abolished and replaced with a regional delivery model for enterprise support in an effort to reduce bureaucracy and streamline local delivery.

8. Additional responsibilities were given to Scotland's local authorities as an important feature of the reforms. At the time, the Cabinet Secretary set out the Scottish Government's plans for the reform of the enterprise networks. In relation to local authorities he stated—

“With Scottish Enterprise firmly focused on national and regional priorities it is entirely right that local authorities assume an enhanced role in local economic development...we have looked carefully at the enterprise networks' current functions and identified those truly local activities which we believe should be transferred to local authorities enabling them to take forward a much more significant role in building their own local economy.

The Business Gateway is such an example. It provides advice to new start 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

9. Accordingly, Business Gateway now acts as a “one-stop-shop” for business start-up and support, and identifies companies for the “Growth Pipeline”. Companies in the Growth Pipeline receive more intensive support with a view to transition to account management services in SE and HIE.

The current system

10. Business Gateway contracts were initially specified and let by Scottish Enterprise and these contracts were “inherited” by local authorities when the service was transferred. Contracts awarded in 2007 were let on the basis of LEC areas, because, at that point in time, LECs were the lead delivery agents. When responsibility was transferred, contracts remained in place for the 12 LEC areas. In order to facilitate management of the contract this meant that, in some cases, a local authority assumed responsibility for a contract that covered a wider area than the local authority. As a result, there are currently 12 contracts covering the 26 lowland local authority areas.

11. In the Highlands, there are five contracts covering the six local authority areas. Highland Council and Moray Council jointly deliver BG services in their area via ‘Highland Opportunity’, an Enterprise Trust set up by Highland Council. The other four local authorities (Argyll & Bute, Orkney Islands, Comhairle nan Eilean Siar and the Shetland Isles) all deliver services in-house for their local authority area.

The next phase

12. The terms of the new Business Gateway contract will shortly be renegotiated. The terms of the contracts must be based around the Scottish Government's economic strategy, which states: “We are committed to maintaining and further developing a Supportive Business Environment. Our overall framework will focus our efforts and resources to create an environment that:

¹ Scottish Government, [news release](#), 26 September 2007.

- Is attractive to growth companies;
- Enables companies to take advantage of opportunities in new international growth markets; and
- Helps to build up the growth sectors of the economy which have the potential to drive future growth.²

13. The timetable below sets out key dates in the contract renewal process:

<p>End September 2011 - local authorities will report on what, in their view, should be included in a new contract and what services they can/will deliver by the end of September.</p> <p>November 2011 the Business Gateway Board (made up of Scottish Government, Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE) and The Scottish local authority economic development group, (also known as SLAED) to approve what service will be delivered by each local authority.</p> <p>February 2012 – local authorities complete legal and financial aspects of contracts and by the end of February notify possible contractors. There then follows a 55 day procurement and tender process.</p> <p>March 2012 – assess bids.</p> <p>July 2012 – any new contractors appointed.</p> <p>September 2012 – new contracts in place.</p>

Source: BGNU

Key players

14. The following table sets out the roles and responsibilities of the groups who are responsible for the governance and operation of Business Gateway.

Table 1: Roles and responsibilities of the key bodies in the current system

Organisation	Membership	Responsibility
Local authorities	-	Day-to-day management of BG contracts and/or in-house delivery within terms of a Partnership Agreement for between Scottish Local Government, HIE and SE.
Business Gateway Scotland Board	COSLA, SLAED, Scottish Government, SE, HIE	Strategic leadership and recommendations on overall direction of BG service.
Business Gateway National Unit	COSLA employees	National responsibility for marketing, performance reporting and quality assurance; secretariat functions to BG Board; support to local authority BG managers and

² Scottish Government, [Economic Strategy](#), September 2011, Section c1

		local contractors.
Business Gateway Operational Network	12 lowland Lead local authorities with responsibility for contract management (see Table 1) and six Highland local authorities	Meet monthly as a group to discuss operational matters. Refer recommendations and issues to Business Gateway Scotland Board
Business Gateway contractors' forum	Contractors appointed to deliver BG services	Forum for contractors to share experiences and best practice
Business Gateway external stakeholders' group	Includes various members of the BG Board, Scottish Chambers of Commerce, Federation of Small Businesses, Business Enterprise Scotland, Scottish Development International	Forum for private sector stakeholders to engage with public sector agencies involved in delivery of business support.
Scottish Local Authorities Economic Development (SLAED) Group	Senior officials from economic development teams across all Scottish local authorities	Assisting and supporting COSLA on operational and practitioner matters
Scottish Enterprise	-	Management of Business Gateway website (www.bgateway.com) and enquiry service (Enquiry Fulfilment and Research Service – EFRS)
Scottish Government	-	Strategic direction

Source: SPICe

KEY ISSUES AND CONCLUSIONS

Introduction

15. The Committee believes that Scotland's economy is primarily a small business economy and that small and medium sized enterprises (SMEs) represent both the backbone of the economy and the breeding ground of the large-scale businesses of the future. Sustainable growth within SMEs, a higher business birth rate, a lower rate of business failure and the transformation of small businesses into medium sized businesses and medium into large are what is required to drive Scotland's economic recovery and pull us out of the current stagnant period. Every effort must therefore be made to provide SMEs with the support they need to achieve these aims.

16. Business Gateway represents the Scottish Government's flagship service to SMEs and it is, therefore, absolutely critical that we get the retendering process for the new contracts right. The Committee commends the hard work and successes of the many people involved in delivering Business Gateway services but also recognises that there are aspects of the current system which must be improved prior to the contracts being renewed.

17. The Business Gateway Operational Network (BGON) commissioned consultancy firm Ekosgen to produce an independent evaluation entitled "A Business Gateway National Evaluation and Future Arrangements for the Delivery of Business Gateway", which was published in June 2011. The report is available at the following link:

<http://www.cosla.gov.uk/system/files/documents/bgfullfinalreport-ekosgen-27thjunefinal.pdf>

18. This report sought the views of over 17,000 interested parties, of which 1,600 responded. An over-arching finding of the report was that "there is a limited appetite for a wholesale change to the model"³ and that Business Gateway is "generally fit for purpose".⁴ However, the report identified a number of areas of concern.

19. The Committee feels that the poor response rate to the survey is not a sound basis for drawing such firm conclusions and⁵, while it accepts that many success stories can be attributed to Business Gateway, the Committee has heard evidence from others to suggest that the model is far from perfect and that good experiences are not always the case.⁶

³ Ekosgen. *Final Evaluation of Business Gateway* June 2011. Page 5.

⁴ Ekosgen. *Final Evaluation of Business Gateway* June 2011. Page 7.

⁵ This clause was agreed to by division: For 5 (Chic Brodie, Rhoda Grant, Patrick Harvie, Mike McKenzie, Anne McTaggart) Against 2 (Stuart McMillan, Angus MacDonald), Abstentions 1 (John Wilson).

⁶ This clause was agreed to by division: For 4 (Chic Brodie, Rhoda Grant, Patrick Harvie, Anne McTaggart), Against 1 (Stuart McMillan), Abstentions: 3 (Angus MacDonald, Mike McKenzie, John Wilson).

Consultation with service users

20. The Committee sought information from witnesses, particularly those who actually use the service, on what engagement, beyond responding to the Ekosgen exercise, they had had with the Business Gateway national bodies over the retendering process.

21. Colin Borland, Federation of Small Businesses, said “We have had no specific or meaningful engagement with local authorities or their representatives about the retendering process and what we want the contracts to include”.⁷ He added that “there is a difference between keeping us updated and involving us in the process”.⁸ The Scottish Council for Development and Industry (SCDI) outlined its recent involvement with the Business Gateway External Stakeholders Group, during which the Ekosgen report was discussed, but added “we did not interpret this as formal consultation on the retendering process itself”.⁹ The written submission from Business Enterprise Scotland (BES), also regretted the lack of involvement with the retendering process.

22. Hugh Lightbody, Business Gateway National Unit, argued that “we have actively encouraged our stakeholders and partners to engage”.¹⁰ David Valentine of the Business Gateway Scotland Board (BGSB) described the process of consultation as “a moving feast” and outlined a number of events which were planned or had recently take place to gather views. He added, “I am satisfied that there is still sufficient time before November, when we will finalise our recommendations to the board, to ensure that key stakeholders have sufficient input”.¹¹ Witnesses also stressed the requirement for a consensus to be built between local authorities before a model was tested on stakeholders.¹² Pamela Stevenson, chair of the Business Gateway Operational Network, pointed out that the Business Gateway National Unit’s quality assurance programme obtains the views of service-users on an ongoing basis.¹³

23. Fergus Ewing MSP, Energy, Economy and Tourism Minister, in a letter to the committee, outlined additional stakeholder events, due to take place in the coming months.¹⁴ He re-emphasised the need to “continue to meet directly small businesses in general and engage with them on their wider needs”. He added “it seems to me that there has been concerted, organised and appropriate engagement with them, but we want to do more, and we will do”.¹⁵

24. The Committee acknowledges the engagement work undertaken by those responsible for the retendering exercise. However, the evidence received from users of Business Gateway services, or those who represent

⁷ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 171

⁸ Federation of Small Businesses, *written submission*, September 2011, page 2.

⁹ Scottish Council for Development and Industry, *written submission to the Committee*, September 2011.

¹⁰ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 192.

¹¹ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Cols 230-232.

¹² Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 234.

¹³ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 238.

¹⁴ Minister for Energy, Enterprise and Tourism, *letter to the Committee*, 20 September 2011.

¹⁵ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 259-260.

their views, indicates that the opportunities for them to become properly involved in the specification of the new tenders – rather than merely to take part in the evaluation exercise – have been too limited thus far.¹⁶

25. The Committee suggests COSLA delay the procurement and tender process until it has conducted a more thorough consultation with businesses, social enterprises and their representatives with first-hand experience of the service and listened to their suggestions on how it can be improved. This could be achieved by the establishment of a short-life working group. Membership of such a group should major on businesses and other service users. We do not suggest that we cease the retendering exercise, but there must, in our view, be more input from users at this stage before the contracts go out to tender.¹⁷

The Business Gateway national structures

26. A range of bodies are involved in the governance of Business Gateway, as set out in Table 1, above.

27. The Ekosgen report states that “the current arrangements are complex given the role of COSLA and the accountabilities to elected members. These are not always clearly understood”.¹⁸

28. In its written submission the Committee, BES said that “the present arrangements for the management of Business Gateway are confused and unclear” and added that “it is still not clear where ownership really lies and who indeed makes final decisions”. Other written evidence lamented the time it takes for delivery to be adapted to new circumstances.¹⁹ Glasgow City Council called for “Fairer representation from across all local authorities on BG board”.²⁰

29. During oral evidence, the Committee attempted to explore the complexities of the various boards, units and working groups. For example, the Committee questioned why it was necessary for the Business Gateway Scotland Board (BGSB) and the Business Gateway Operational Network (BGON) to be involved in building consensus among local authorities when the Scottish Local Authorities Economic Development (SLAED) Group already exists to fulfil this role.

30. Witnesses working on the various groups stressed the importance of sharing best practice and ensuring geographic consistency of service provision and argued that the structures did not represent an overly bureaucratic process and would, in any case, be re-simplified following the re-tender process.²¹

¹⁶ This paragraph was agreed to by division: For 4 (Chic Brodie, Rhoda Grant, Patrick Harvie, Anne McTaggart), Against 1 (Stuart McMillan), Abstentions 3 (John Wilson, Angus MacDonald, Mike McKenzie).

¹⁷ This paragraph was agreed to by division: For 5 (Chic Brodie, Angus MacDonald, Mike McKenzie, Stuart McMillan, John Wilson), Against 3 (Rhoda Grant, Patrick Harvie, Anne McTaggart), Abstentions: 0

¹⁸ Ekosgen. *Final Evaluation of Business Gateway* June 2011, page 99.

¹⁹ Federation of Small Businesses, *written submission*, September 2011, page 5.

²⁰ Glasgow City Council, *written submission*, September 2011, page 3.

²¹ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 252-254.

31. **The Committee believes that the current structures involved in the governance of Business Gateway are far too numerous and resource-intensive which could divert scarce resources from the key aim of directly supporting businesses.²²**

32. **The Committee recommends that, given that an objective of the reforms was to decentralise power and decision-making to the local area, consideration should be given to the streamlining and simplifying of Business Gateway governance structures in a way that will deliver a more agile, speedy response to changing circumstances.**

33. **A simplified structure could consist of a single operational unit, overseen by a Board on which business people, other service users and elected representatives of local authorities sit as non executives. Broadening membership of the Board in this way would bring more on-the-ground experience to decision-making and address what is perceived by some as a democratic deficit.**

Flexibility versus a minimum national standard

34. A large number of submissions made to this inquiry stressed the need for greater local and regional flexibility within the contracts, both to account for differing geography, demography and so on and also to allow rapid responses to changing local needs.

35. While it has been possible to make certain adjustments to the existing contracts – the introduction of the sub-growth pipeline (the customer segment for businesses that project turnover growth of between £200K and £400K over a three year period) for example – the majority of respondents to the inquiry felt that greater flexibility in the new contracts is desirable.

36. The BGSB outlined the work being undertaken by one of its short life sub groups (made up of staff within local authorities) to define a core consistent BG national offer alongside a national flexible solution. This work has examined acceptance criteria for various levels of support and survival programmes for businesses experiencing difficulties during adverse economic conditions.²³

37. Under the existing contracts, ten percent of the contract value is earmarked for local flexibility. This could be increased under the new contracts.

38. Alongside creating the room to adapt to dynamic local and economic circumstances, a core minimum standard should be a feature of the contracts. The Committee therefore endorses BGSB's intention that the new

²² This paragraph was agreed to by division: For 5 (Chic Brodie, Angus MacDonald, Mike McKenzie, Stuart McMillan, John Wilson), Against 3 (Rhoda Grant, Patrick Harvie, Anne McTaggart), Abstentions: 0.

²³ Business Gateway Scotland Board and Business Gateway Operational Network, *written submission*, September 2011.

contracts will “ensure a consistent national core service with a local flexible solution”.²⁴

39. The Committee also endorses BGSB’s commitment to allow for regional flexibility in the criteria to qualify for growth support and believes that regional flexibility must also be sufficient to take account of region-specific opportunities, for example, those in renewable energy.

New services

40. The review of the service by Ekosgen and the work undertaken during this inquiry has identified a number of new elements that the Committee believes would be desirable under the new contracts.

41. Under regional flexibility, some aftercare services have been added to the standard BG contracts to offer continued support to start-ups. BGSB and BGON’s joint submission outlined plans for aftercare within the new contracts, as recommended in the Ekosgen report. The requirement for aftercare support was echoed in oral evidence²⁵ and in written submissions by Glasgow City Council, FSB, Highland Opportunity and Forth Valley Consortium.

42. The Federation of Small Business and The GO Group each expressed the need for “more-than-growth” services which address business sustainability and the safeguarding of jobs.²⁶

43. When specifying the new services to be added to the new Business Gateway contracts, the Committee recommends that the following additional services be added to the core services currently on offer in every region:

- **Aftercare support**
- **Support for business sustainability and survival / retention of jobs**
- **A service for small businesses who are neither start-up nor growing**

Methodologies for defining eligibility, setting targets and measuring impact

44. It is clear to the Committee that some of the targets within the current BG contracts - both for determining the eligibility of businesses for support and for identifying the impact of the service - should be more clearly defined. There was a consensus among many respondents that the targets within the original contracts were, in many cases, unrealistic and that this was at least in part down to a lack of consultation with service providers and users at the outset over what would be realistic.

Criteria for assessing eligibility for support

45. The key criterion for businesses attempting to access support is the potential for growth in turnover. To qualify for the enhanced support offered by the Growth

²⁴ Business Gateway Scotland Board and Business Gateway Operational Network, *written submission*, September 2011.

²⁵ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 208.

²⁶ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 208.

Pipeline within SE and HIE, it is necessary for businesses to be aiming to achieve a turnover of £400,000 and to be within a high growth sector. The Committee heard a range of views on whether there is merit in broadening the criteria to reflect other factors.

46. Duncan Thorp of the Scottish Social Enterprise coalition pointed out that the current eligibility criteria presented a barrier to social enterprises gaining access to support since they fail to take account of other factors.²⁷ The Federation of Small Business questioned why eligibility criteria are not based on the potential for the number of jobs created (or saved during adverse trading conditions), or on a more general aim of broadening the business base,²⁸ while Glasgow City Council reported that businesses that are not account managed but have the potential to safeguard and create new jobs, are under-represented²⁹. With respect to using potential for growth in turnover as a criterion for receiving support, Scottish Enterprise stated that “we take a far more rounded view of a company’s potential”.³⁰

47. Potential for growth expressed solely by turnover is too blunt a tool for identifying those businesses which will most benefit the economy. The Committee wishes to see a radical overhaul of the criteria used for determining eligibility for support. These should be broadened to take account of such factors as job creation, ability to innovate, potential to export, job retention etc and they must reflect regional conditions and local opportunities.

Criteria for assessing the success of the service

48. The Committee has received a range of evidence to suggest that blunt targets within the existing contracts – the number of events delivered for example – do little to identify the actual outcomes that are achieved for the economy. (Events form an important part of Business Gateway’s generalist business support offering available to all businesses. Definitions of what constitutes an event vary between contracts).

49. Richard Whitcomb of Ekosgen confirmed that “we want to see more focus on impact indicators”.³¹ Marjorie Miller from Glasgow City Council regretted the disparities between the way contracts were drawn up in different regions with the result that: “we finish up with a lot of statistics that do not mean very much”.³²

50. Evidence received by the Committee revealed a broad disparity in the payments made to contractors in different parts of the country for referring businesses to the growth pipeline for designated relationship management with Scottish Enterprise “although the outcomes are the same”.³³ (These ranged between £1,000 in Glasgow City Council’s area to £5,000 in the Aberdeen City and Shire Business Gateway contract area). Highland Opportunity argued that

²⁷ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 179.

²⁸ Federation of Small Businesses, *written submission*.

²⁹ Glasgow City Council, *written submission*, September 2011, page 1.

³⁰ Scottish Enterprise, *written submission*, page 5-6.

³¹ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 192.

³² Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 195.

³³ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 205.

“setting annual targets but not linking them to payments allows for maximum flexibility”.³⁴ **With such variable incentives in different parts of the country, it would be unsurprising if activity was influenced by payment triggers rather than the needs of the local and national economy.**

51. As part of its inquiry, the Committee scrutinised the Business Gateway performance figures for 2010-11 and reflected that the achievement of targets on, for example, the provision of start-up events, bore little relation to the number of start-ups actually delivered.³⁵ Concern was expressed over the consumption of resources on the self-employed, as these are not seen as drivers of growth in the economy. Glasgow City Council was concerned that “The inflexibility of the existing core contract can result in a concentration on high volume start-up, lifestyle businesses being created when the market gap lies elsewhere”.³⁶ Witnesses felt that the VAT segment was “the key to growing business”.³⁷

52. In its written submission, the BGSB and the BGON described the work of BGON’s “outcome based performance monitoring” short life sub group and Hugh Lightbody, in his evidence, stated that COSLA is “considering a more outcomes-based approach”.³⁸

53. Calls for a more outcomes-based approach to configuring and evaluating services were echoed in a number of written submissions to the committee. The Minister for Energy, Economy and Tourism stated, in a letter to the Committee “It is in everyone’s interest to find a mechanism that ensures that contractors get properly rewarded for the work they undertake, while ensuring that the mechanism does not result in them being required to focus unduly on payment triggers sometimes at the expense of longer term outcomes”.³⁹

54. Scottish Enterprise set out a detailed argument for retaining turnover growth as a means for tracking the growth of companies.⁴⁰ Written evidence received by the Committee put forward a broad range of indicators of success; these are captured in the Committee’s recommendation, below.

55. The Committee is supportive of the approach expressed by BGSB and BGON to base the achievement targets within the new contracts on outputs and outcomes as it is vital we move away from raw metrics such as numbers of contacts, numbers of events and so on. In setting the parameters for gauging success of the service, the Committee wishes to see the following outcomes incorporated in the new contracts:

- **business survival rate**
- **numbers of job created – and their value**

³⁴ Highland Opportunity, *written submission*, page 1.

³⁵ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 196.

³⁶ Glasgow City Council, *written submission*, September 2011, page 1.

³⁷ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 202.

³⁸ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 203.

³⁹ Minister for Energy, enterprise and Tourism, *Letter to the Committee*, 20 September

⁴⁰ Scottish Enterprise, *written submission*, page 5.

- **number of jobs safeguarded – and their value**
- **social and environmental impact**⁴¹
- **internationalisation**
- **efficiency, productivity and profitability**
- **innovation**
- **the promotion of an enterprising culture**

Variations in unit costs

56. The Committee were concerned about the large variation in the payments made to contractors for the same service in different parts of the country. It was felt that these differing incentives could drive activity, rather than activity by contractors being based on the most desirable outcomes for the economy.

57. Witnesses explained that this was a result of the original competitive tendering processes. David Valentine, Chair of the BGSB, likened the process to accepting an overall best price for the construction of a house to a defined specification, without looking at the unit costs of doors, windows and so on.⁴²

58. The Committee, while accepting that geography and demographics account for some variation in costs, expects every effort to be made to ensure that the procurement process irons out the broad disparities which currently exist in payments made to contractors for the same outcome in different regions of the country.

Regional variation of targets

59. Targets under the existing contracts were set to take account of geographic variations in economic performance. For example, the Highlands and Islands region has traditionally had lower rates of economic growth and targets were set accordingly.

60. Calum Iain Maciver of Comhairle nan Eilean Siar agreed that “we will need to evaluate the targets. They may be overambitious for some areas, such as the Outer Hebrides, and they may be underambitious for other areas. It will be critical that, as we re-evaluate the contracts, we re-set the targets”.⁴³

61. HIE’s written submission states that different approaches are required “depending on the sector or location of the business concerned”.⁴⁴

62. Kate Fraser of Argyll and Bute Council explained that targets in Argyll and Bute for referring clients to HIE for account management are low because “its

⁴¹ After a series of divisions, this paragraph was agreed to by division: For 4 (Chic Brodie, Angus MacDonald, Stuart McMillan, John Wilson), Against 3 (Rhoda Grant, Patrick Harvie, Anne McTaggart), Abstentions: 1 (Mike McKenzie).

⁴² Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 249.

⁴³ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 212.

⁴⁴ HIE, *written submission*, September 2011

focus this year is more on leveraging growth within its existing account management clients, rather than taking a lot of clients into account management".⁴⁵ HIE described growth pipeline referrals as "an important aspect of the Business Gateway service" and said that "the volume of referrals is indicative of the effectiveness of the provision". It adds that "Business Gateway should continue to provide focus on generating a healthy "pipeline" of businesses with growth potential to feed into HIE's account management".⁴⁶ Calum Iain Maciver told the Committee that HIE had been sufficiently flexible to work with the Business Gateway team to support businesses which do not quite meet its pipeline requirement.⁴⁷

63. The Committee understands the historical backdrop of the targets in remote and rural areas, and areas with traditionally low growth, but views the contract renewals as an opportunity to challenge such assumptions and ensure that ambitious targets are put in place that will underscore the need to pursue new opportunities in, for example, renewable energy.

64. As previously mentioned, the Committee views intensive support for businesses with the greatest growth potential as a critical state intervention to support the recovery. It would therefore be most concerned if HIE were being anything less than ambitious in the numbers of clients it accepts into account management.

Overall economic impact of Business Gateway

65. The Committee wished to establish what analysis had been made of the Business Gateway service's impact, nationally and locally, in terms of gross value added (GVA). The Ekosgen report dealt with benchmarks, baselines, additionality, displacement and dead weight and quantified GVA for the service (to date and in three years into the future) at £301m⁴⁸, which led it to conclude that "overall national performance of Business Gateway is broadly in line with expectations".⁴⁹ Witnesses admitted that "A deeper evaluation is needed" to address the question of what growth would have been achieved had there been no intervention.⁵⁰

66. While the Committee accepts that it is difficult to make accurate judgements about the impact of the service given the changing economic climate and the absence of the counterfactual, we believe that a more robust economic appraisal of the existing contracts is imperative before the retendering process proceeds. The analysis the Committee has heard to date is unconvincing and fails to address the question of how the services is performing relative to other models of delivery (past and present), and relative to a "do nothing" option.

The Government's Economic Strategy – a broader definition of growth

67. The Government's Economic Strategy (GES) identifies the Government's desired characteristics of growth as incorporating solidarity, cohesion and

⁴⁵ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 212.

⁴⁶ HIE, *written submission*, September 2011.

⁴⁷ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 218.

⁴⁸ Ekosgen. *Final Evaluation of Business Gateway* June 2011, page 81.

⁴⁹ Ekosgen. *Final Evaluation of Business Gateway* June 2011, page 37.

⁵⁰ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 247.

sustainability. The Committee wished to explore the extent to which this broader view of growth would be embedded within the new contracts.

68. In his letter to the Committee, the Minister agreed that “turnover is not the sole measure of growth”⁵¹ but, in oral evidence, “the merit of turnover as a proxy for growth is that it is straightforward to measure”.⁵² Mary McAllan of the Scottish Government added “it has been recognised by those who are working on the tender that that [turnover] is not sufficient of itself”.⁵³

69. The Scottish Social Enterprise Coalition said “We would welcome the exploration of the Business Gateways having specific social and environmental impact assessment remits within contracts”.⁵⁴

70. It is the Committee’s firm belief that the success of Business Gateway is not a simple matter of increases in company turnover and GDP and, as such, must be measured against the Government’s wider stated characteristics of growth, namely incorporating solidarity, cohesion and sustainability.⁵⁵

71. Accordingly, targets for growth within the new contracts must look beyond simplistic numbers to the quality of the growth which is created. They should capture environmental sustainability, as well as community and social benefits such as the narrowing of wage differentials, the provision of a living wage and the provision of skilled, high quality jobs.

Customer experience

72. The Ekosgen evaluation stated that “Overall, respondents to the Business Gateway customer survey were satisfied with its services”.⁵⁶ During oral evidence to the Committee, Hugh Lightbody said that the satisfaction rate during the first three months of 2011 was 90 per cent⁵⁷ and Sally Collinson said that “customer satisfaction levels have remained high.”⁵⁸ While the Committee has heard evidence of many Business Gateway success stories, it has also received evidence of some negative customer experiences. Support for non-standard business models – such as social enterprises - appears to be a particular weakness and this is explored in a separate section below.

73. Colin Borland said that, in a 2009 survey of FSB members, “of those who sought local government-funded help, just over a third said that it was helpful” and “42 per cent regard [the Business Gateway website] as helpful.”⁵⁹ Glasgow City Council proposed the establishment of “an easy to access customer service response on the BG site that encourages customer feedback”.⁶⁰

⁵¹ Minister for Energy, Enterprise and Tourism, *letter to the Committee*, 20 September 2011.

⁵² Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 268.

⁵³ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 267.

⁵⁴ Scottish Social Enterprise Coalition, *written submission*, page 4.

⁵⁵ Scottish Government, *The Government Economic Strategy*, September 2011, page 13.

⁵⁶ Ekosgen. *Final Evaluation of Business Gateway* June 2011, page 56.

⁵⁷ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 195.

⁵⁸ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 190.

⁵⁹ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 181

⁶⁰ Glasgow City Council, *written submission*, September 2011, page 3.

74. The substantial disparity in reported satisfaction rates between the Federation of Small Business and the BG national unit gives the Committee cause for concern. They cannot both be right.⁶¹

Models of delivery

In-house versus out-sourced model

75. The Committee wished to explore the pros and cons of the out-sourced and in-house models which exist in different parts of the country and questioned whether the in-house model might offer greater flexibility to redirect resources to respond to changing local conditions as opposed to being bound to a contract with an external supplier.

76. Calum Iain Maciver of Comhairle nan Eilean Siar argued that “one advantage of the in-house delivery model is that, when a business comes in with planning questions, those can be dealt with in a one-stop-shop approach”.⁶² Furthermore, in the HIE area, local authorities are often co-located with HIE staff; HIE claimed that this co-location supports cohesions and flexibility and enabled a rapid response to clients.”⁶³ Likewise, Kate Fraser described the integration of services which comes hand in hand with an in-house model as “a key strength”.⁶⁴ West Lothian Council claimed that efficiencies made through shared administration services released resources to be targeted at front end service delivery. The Council also praised the one-stop-shop model of delivery.⁶⁵

77. David Valentine told the Committee that “other authorities have an appetite” to bring Business Gateway services in-house.⁶⁶ In his written submission, he explained that it “will be for the individual local authorities to decide either individually or within their locally establishes Shared Service partnerships. This is not a decision *per se* for the BGSB.” He added that “in such cases where a LA decides to undertake this service in-house, there will not be a requirement for the LA in question to tender/compete with outside bidders.”⁶⁷ Glasgow City Council indicated that this was its preferred option.⁶⁸ Highland Opportunity described its model of an “arm’s length company...strategically influenced by local authorities” as offering the best of both worlds.⁶⁹

78. Pamela Stevenson said that it was too early to carry out an economic evaluation of the in-house model, given that it was only introduced in 2009.⁷⁰

79. In light of the above, the Committee makes no specific recommendation as to the most desirable model of delivery. It is a matter for local authorities

⁶¹ This paragraph was agreed to by division: For 4 (Chic Brodie, Angus MacDonald, Stuart McMillan, John Wilson), Against 4 (Rhoda Grant, Patrick Harvie, Mike McKenzie, Anne McTaggart), Abstentions: 0. The Convener exercised his casting vote to agree the paragraph.

⁶² Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 213.

⁶³ HIE, *written submission*, page 1.

⁶⁴ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 214.

⁶⁵ West Lothian Council, *written submission*, page 5.

⁶⁶ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 240.

⁶⁷ David Valentine, *Supplementary written evidence*, September 2011, Page 2.

⁶⁸ Glasgow City Council, *written submission*, September 2011, page 4.

⁶⁹ Highland Opportunity, *written submission*, page 3.

⁷⁰ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 240.

to determine the mode of delivery which best address the needs of the local area, while also delivering best value for the public purse.

The re-tendering process

Legalities

80. The Committee wished to challenge the assumption that a full retendering process is the only way to proceed. BES's written submission argues that "competitive tendering at this time provides a significant distraction at the point of maximum need for the business community" and warned of the loss of local knowledge should "predatory" interests from outside Scotland be successful in winning contracts.⁷¹ Its response also argues the merits of the not-for-profit model of enterprise trusts, which have reinvested surpluses in the local community.⁷²

81. Written evidence from Forth Valley Consortium argues that "a negotiated service, with negotiated targets, costs, payments and outcomes may be more productive than a rigid open competitive tendering system."⁷³ Glasgow City Council feared the loss of expertise which was a risk of open tendering.⁷⁴

82. Colin Borland of the Federation of Small Business argued that local authorities' ability to "respond to local needs as they see fit...should be possible under the current contracting arrangements"⁷⁵ and David Valentine stressed the importance of using a nationally agreed contract to "provide consistency of service across Scotland".⁷⁶

83. Hugh Lightbody of COSLA explained that legal advice obtained by his organisation recommended "that we should proceed with retendering and not extend the contracts".⁷⁷

84. The Committee accepts the necessity to proceed with a full, competitive retendering for the Business Gateway contracts in order to avoid any legal challenge to the openness of the process. Whilst there may be some advantages in terms of administrative efficiency in a renegotiation of existing contracts, an open tendering exercise should procure the best organisation for the job and provide the best value for the taxpayer.

Competition

85. The Committee is aware of the differing degree to which competition will operate in the retendering process. The availability of suitable local contractors will, inevitably vary in different parts of the country.

86. The Committee believes that an element of competition in the retendering of the contracts is important in providing "best value for money". The retendering process must therefore ensure that "best value" is

⁷¹ Business Enterprise Scotland, *written submission*, September 2011, page 7.

⁷² Business Enterprise Scotland, *written submission*, September 2011, page 8.

⁷³ Forth Valley Consortium, *written submission*, September 2011, page 4 .

⁷⁴ Glasgow City Council, *written submission*, September 2011, page 4.

⁷⁵ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 174.

⁷⁶ Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 239.

⁷⁷ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 193.

interpreted in its broadest terms and not just the lowest bidder. Community benefit must be considered.

Support for social enterprises and the third sector

87. The Scottish Social Enterprise Coalition captured the key characteristics of social enterprises as follows: “social enterprises exist to make a profit just like any private sector business. However, instead of paying dividends to shareholders, any profits or surpluses they make are reinvested into social and environmental purposes”.⁷⁸ That being the case, Business Gateway services should and must be as relevant to social enterprises as they are to any other business.

88. The Scottish Social Enterprise Coalition shared the negative experiences of a number of its members when attempting to access Business Gateway services and Duncan Thorp confirmed that “many of our members are not getting what they want from the Business Gateway contract”.⁷⁹ Naomi Johnson of Firstport spoke of the need to separate out specialist services for social enterprises and generic business support advice, to avoid duplication of service. She also emphasised the need for an awareness of the unique aspects of social enterprises among all Business Gateway advisers.⁸⁰ Scottish Enterprise echoed this in their written submission.⁸¹

89. Highland Opportunity spoke of the close working relationship it has developed with Highlands and Islands Social Enterprise Zone (HISEZ)⁸² and HIE stated that it “considers the role of social enterprise, particularly in some of our more fragile areas to be of great significance”.⁸³

90. There was some support among witnesses for a distinctive agency to support social enterprises – akin to Co-operative Development Scotland.

91. The Committee appreciates that the original aim of Business Gateway was to encourage growth and acknowledges the more recent efforts by the Scottish Government to address the specific needs of social enterprises, which culminated in the recent launch of the complementary service, Just Enterprise.

92. While the Committee warmly welcomes the addition of Just Enterprise to the Government’s suite of services, we believe that the new contracts must, nevertheless, ensure that Business Gateway is truly “open to all” and mainstreams the needs of social enterprises within its range of services. Consideration should be given to a distinctive set of eligibility criteria (e.g. a lowering of turnover thresholds) for enhanced support for social enterprises In order to achieve this.

⁷⁸ Scottish Social Enterprise Coalition, *written submission*, September 2011, page 1.

⁷⁹ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 177.

⁸⁰ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 178.

⁸¹ Scottish Enterprise, *written submission*, page 6.

⁸² Highland Opportunity, *written submission*, page 3.

⁸³ HIE, *written submission*, page 3.

93. Furthermore, within its general support services, Business Gateway practitioners should assist start-ups to consider social and community benefits and the possibility of adopting a more-than-profit model. This role should become part of the accreditation of advisors.

94. The Committee nevertheless believes that there are distinctive services which are required by social enterprises that should be provided by a specialist support service such as Just Enterprise and that these services should continue to work closely together to complement the Business Gateway service, with Just Enterprise being represented on the Business Gateway Scotland Board.

A business-friendly approach embedded in Local Authority services

95. A chief aim of the Cabinet Secretary for Finance, Employment and Sustainable Growth, when he reformed the enterprise network on 2007, was to promote the integration of business support with other council services.

96. The Committee wished to establish the extent to which local authority services had become more closely aligned to the delivery of economic development since the reforms. David Coyne said that “Glasgow City Council has a policy of being business friendly”⁸⁴ and described the close working relationship between staff providing business services and those delivering planning, environmental and trading standards services.⁸⁵ Calum Iain Mciver described the restructuring which has taken place within Comhairle nan Eilean Siar which has integrated the range of services (e.g. trading standards, planning) which impact on businesses.⁸⁶

97. Edinburgh and Lothians Business Gateway Delivery Area set out some good-practice models of the way in which in-house services in the Lothians have been integrated in local authorities.⁸⁷ FSB said that “While we are aware of a limited number of examples of good practice, on balance, there has been virtually no progress towards achieving a more-streamlined, business-focused approach across council services”⁸⁸ and Forth Valley consortium agreed.⁸⁹ North and South Lanarkshire Councils believed that the transfer of responsibilities had encouraged a more business-friendly ethos, which had enhanced the response to the economic downturn.⁹⁰

98. BES argued that local businesses are more likely to put their faith in business-focussed non public sector organisations that in local authorities, which are involved in licensing and regulation.⁹¹

⁸⁴ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 200.

⁸⁵ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 200.

⁸⁶ Economy, Energy and Tourism Committee, *Official Report*, 14 September 2011, Col 213.

⁸⁷ Edinburgh and Lothians Business gateway Delivery Area, *written submission*, page 6.

⁸⁸ Federation of Small Businesses, *written submission*, September 2011, page 7.

⁸⁹ Forth Valley Consortium, *written submission*, September 2011, page 5.

⁹⁰ North and South Lanarkshire Councils, *written submission*, page 6.

⁹¹ Business Enterprise Scotland, *written submission*, September 2011 page 9.

99. In oral evidence the Minister argued that “there cannot be a nationally imposed set of structures”.⁹²

100. Regardless of whether Business Gateway services are outsourced or in-house, close partnership with other local authority services is vital to ensure the best customer experience and greatest benefit to the local economy.

101. The Committee recommends that the new Business Gateway contracts address the issue of the integration of business support with other relevant council services and specify, as a requirement of those tendering, the necessity to work closely with other local authority departments.

⁹² Economy, Energy and Tourism Committee, *Official Report*, 21 September 2011, Col 264.

CONCLUSIONS

102. In essence, there are three ways to tackle the UK's current deficit – cut expenditure, increase taxation and/or grow the economy. While Scotland and the UK are not officially in recession at the time of writing, we face a period of, at most, low growth.

103. The Committee notes the Scottish Government's aim of turning round the economy by promoting an export-led recovery, by delivering the greatest possible number of SME start-ups, by improving the breadth and quality of its business base, and by encouraging larger firms to invest in their operations.

104. If Scotland is to deliver on these aims, Business Gateway, as the Scottish Government's Flagship service for SMEs, needs to be operating at peak effectiveness. It must slim down the current bureaucracy and focus every resource on direct support to its clients. The Business Gateway Scotland Board and local authorities must therefore look closely at the variations both in performance against targets and client experience across Scotland and seek to bring every Business Gateway service up to the standard of the best. We are aware of the many successes in the current service but there is still much that can be improved.

105. The Minister for Energy, Enterprise and Tourism has an important role to play in overseeing Business Gateway's transition, through the contract retendering process to a leaner, fitter, ambitious organisation with business growth at its heart. The Committee therefore suggests that regular updates are provided by the Minister to the Committee during this important phase of Business Gateway's life.

**ANNEXE A: EXTRACT FROM THE MINUTES OF THE ECONOMY, ENERGY
AND TOURISM COMMITTEE**

4th Meeting, 2011 (Session 4), Wednesday 7 September 2011

Present:

Chic Brodie	Gavin Brown (Convener)
Jim Eadie (Committee Substitute)	Rhoda Grant
Patrick Harvie	Mike Mackenzie
Stuart McMillan	Anne McTaggart
John Wilson (Deputy Convener)	

Apologies were received from Angus MacDonald.

Business Gateway inquiry - priorities for contract renewal: The Committee agreed its approach to this short inquiry.

5th Meeting, 2011 (Session 4), Wednesday 14 September 2011

Present:

Chic Brodie	Gavin Brown (Convener)
Rhoda Grant	Patrick Harvie
Angus MacDonald	Mike Mackenzie
Stuart McMillan	Anne McTaggart
John Wilson (Deputy Convener)	

Decision on taking business in private: The Committee agreed to take item 4 in private.

Decision on taking business in private: The Committee agreed to take consideration of a draft report on its Business Gateway inquiry in private at future meetings.

Business Gateway inquiry - priorities for contract renewal: The Committee took evidence from—

Colin Borland, Head of External Affairs, Federation of Small Businesses;

Duncan Thorp, Parliamentary, Policy and Communications Officer, Scottish Social Enterprises Coalition;

Naomi Johnson, Executive Director, Firstport;

Richard Whitcomb, Associate Director, Ekosgen;

Marjorie Miller, Manager, Business Adviser Team, and David Coyne,
Business and the Economy Manager, Glasgow City Council;

Sally Collinson, Business Gateway Manager, Aberdeenshire Council;

Hugh Lightbody, Team Leader National Business Gateway Unit, COSLA;

Isabell Majewsky, Chief Executive, Go Group;

Calum Iain MacIver, Director of Development, Comhairle nan Eilean Siar
Western Isles Council;

Kate Fraser, Senior Development Officer, Argyll & Bute Council.

Business Gateway inquiry - priorities for contract renewal (in private): The
Committee agreed to write the Minister for Energy, Enterprise and Tourism.

6th Meeting, 2011 (Session 4), Wednesday 21 September 2011

Present:

Chic Brodie

Rhoda Grant

Angus MacDonald

Stuart McMillan

John Wilson (Deputy Convener)

Gavin Brown (Convener)

Patrick Harvie

Mike Mackenzie

Anne McTaggart

Decision on taking business in private: The Committee agreed to take item 4
and all future reviews of evidence in private.

Business Gateway Inquiry - contract renewals: The Committee heard evidence
from

David Valentine, Chair of the Business Gateway Board and Chair of the
Business Gateway External Stakeholders Group;

Pamela Stevenson, Chair, Business Gateway Operational Network;

Alex Anderson, Chair of the Scottish Local Authorities Economic
Development Group (SLAED) and Member of the Business Gateway
External Stakeholders Group;

Fergus Ewing MSP, Minister for Energy, Enterprise and Tourism, John
Mason, Director of Business, and Mary McAllan, Head of Enterprise and
Tourism: Local Economic Development, Scottish Government.

Business Gateway Inquiry - contract renewals (in private): The Committee reviewed the evidence it heard earlier in the meeting and identified issues to be covered in its draft report.

7th Meeting, 2011 (Session 4), Wednesday 28 September 2011

Present:

Chic Brodie	Jim Eadie (Committee Substitute)
Rhoda Grant	Patrick Harvie
Mike Mackenzie	Stuart McMillan
Anne McTaggart	John Wilson (Deputy Convener)

Apologies were received from Gavin Brown (Convener), Angus MacDonald.

Business Gateway - contract renewals (in private): The Committee reviewed the evidence heard to date.

8th Meeting, 2011 (Session 4), Wednesday 5 October 2011

Present:

Chic Brodie	Rhoda Grant
Patrick Harvie	Angus MacDonald
Mike Mackenzie	Stuart McMillan
Anne McTaggart	John Wilson (Deputy Convener)

Apologies were received from Gavin Brown (Convener).

Business Gateway - contract renewals (in private): The Committee discussed and, after a series of divisions, agreed its final report

ANNEXE B: WRITTEN AND ORAL EVIDENCE

Copies of the written evidence received can be found at:

<http://www.scottish.parliament.uk/s4/committees/eet/inquiries/Gateway-Inquiry/BusinessGateway-writtensubmissions.html>

Copies of the oral evidence received can be found at:

Wednesday 7 September 2011

<http://www.scottish.parliament.uk/Apps2/Business/ORSearch/ReportView.aspx?r=6379&mode=pdf>

Wednesday 14 September 2011

<http://www.scottish.parliament.uk/Apps2/Business/ORSearch/ReportView.aspx?r=6395&mode=pdf>

Wednesday 21 September 2011

<http://www.scottish.parliament.uk/Apps2/Business/ORSearch/ReportView.aspx?r=6415&mode=pdf>

Wednesday 28 September

<http://www.scottish.parliament.uk/Apps2/Business/ORSearch/ReportView.aspx?r=6415&mode=pdf>

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