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A CELEBRATION OF 20 YEARS OF EUROPEAN FUNDS IN WESTERN SCOTLAND

Project Title	Business Support Programme
Project Sponsor	South Lanarkshire Council

PROJECT ORIGIN AND DEVELOPMENT

In recent years Lanarkshire has successfully repositioned itself supporting the growth and development of new and existing businesses. The local economic development infrastructure has been an important factor in supporting this process.

Working in partnership, Scottish Enterprise Lanarkshire (SEL), Business Gateway, and South Lanarkshire and North Lanarkshire Councils had identified a range of co-ordinated services required to meet the needs of the area's small and medium sized businesses (SMEs). As the delivery model evolved, partners identified the need to streamline and enhance services and programmes available to small companies.

Higher growth and impact companies received business development support through the Business Growth Initiative (BGI) programme, but those with apparently lesser prospects were much more numerous and had perhaps less chance of business development assistance.

This project was a new multi-faceted approach to supporting firms in all areas of the previous programmes under the one banner. The 'Business Support Programme' (BSP) streamlined and dovetailed existing provision providing a more effective access route to assisting businesses via the Business Gateway.

PROJECT AIMS AND OBJECTIVES

The programme was an innovative approach to assist small businesses identify and/or address the particular constraints within their organisation, which inhibited growth, or assisted in raising the competitiveness of the business by expanding sales through breaking into new markets and encouraging innovation, research and development and exporting.

The aim of the project was to be the first part of an integrated approach, leading to further support from SEL's range of programmes in particular Business Growth Initiative (BGI) and E-Business support.

The characteristics of the companies that received support via Business Support Programme impacted on:

- business growth in sales and profitability
- the introduction of cultural change within SMEs
- creation of employment
- other significant economic impacts.

It was anticipated that the Business Support Programme would facilitate a cultural change within the local business community, enabling businesses to become more efficient, improve their quality and competitiveness and, by doing so, assist business growth.

PROJECT ACTIVITIES

The project assisted small businesses, by helping them to:

- identify particular constraints within their organisation that may inhibit further growth
- address these constraints, by providing companies with the capability to design a programme of customized support, that will seek to raise the competitiveness of their business.

Preference was given to business in the following categories:

- key industry sectors in the Lanarkshire economy
- businesses within the transitional and rural regeneration areas
- businesses within sectors of the economy which are subject to other relevant South Lanarkshire initiatives.

Specifically, the project provided access to finance for participating businesses, that enable them to receive consultancy support in areas such as:

- IT enhancements
- feasibility studies
- marketing strategies
- human resource management
- succession management
- innovation/creativity/research and development
- new process development
- financial/strategic planning
- quality standards.

The project provided a maximum of 50% grant support, with a maximum grant of £5,000 being awarded. Only one application per company was accepted within the year.

PROJECT STRUCTURE

The overall management of the project - financial administration, co-ordination and performance reporting - was undertaken by South Lanarkshire Council's Economic Development Department, in co-operation with counterparts at North Lanarkshire Council. An Economic Development Officer and Assistant were responsible for the successful delivery of this project. They worked closely with external partners, to ensure the project delivered against the set outputs and results.

The cost for the management of the project was absorbed, in full, by the respective local authorities.

Implementation:

The Business Support Programme (BSP) was delivered on a sub-contractual basis through the current Service Level Agreement by Lanarkshire Enterprise Services who hold the Business Gateway (BG) contract for Lanarkshire. A fixed fee was paid for each Appraisal and Implementation Plan carried out by BG Advisors.

Organisations were assessed against the criteria, through a Business Appraisal undertaken by BG Advisors. This was followed by the production of a customised Implementation Plan which defined needs, timescales and areas of potential support, aimed at securing the required cultural changes. This Plan also defined the desired measurable outputs the company expected to achieve by the end of the

project. BG Advisors had received specialist training to undertake these Appraisals and Implementation Plans to ensure consistency and quality of delivery.

All applications supported by BG advisor appraisal were considered on a weekly basis. The company was informed of the decision normally within 14 days of all supporting paperwork being in place. Applications for grant support to meet the needs identified in the Implementation Plan were assessed to ensure fit with Social Inclusion Partnership (SIP) priorities and to ensure eligibility.

PROJECT FINANCE

Funding Partners	South Lanarkshire Council North Lanarkshire Council
Eligible Costs (£)	£595,575
ERDF/ESF Support (£)	£155,012
Priority/Measure	1: Develop the competitiveness and innovation of the regions SMEs 1.2: Enhance SME advice and support services to develop a business base

PROJECT PERFORMANCE

At the time of writing, June 2007, this project was on-going.

Indicator	Target	Achievement	% Target Achieved
Total no of existing businesses assisted	206	196	95.15%
No of existing businesses receiving financial assistance	206	96	46.60%
No of existing businesses receiving advice	206	174	84.47%
No of assisted businesses from areas most in need	30	60	200.00%
No of new businesses receiving advice	22	31	140.91%
Total no of new businesses assisted/created	22	19	86.36%
No of assisted businesses owned or managed by women	21	12	57.14%
No of new businesses receiving advice	31	45	145.16%
No of new exporters/businesses entering new markets	13	21	161.54%
<i>Total no of gross new jobs created</i>	<i>98</i>	<i>82</i>	<i>83.67%</i>

PROJECT FUTURE

ERDF support for the current project continued until March 2006. Over the lifetime of the programme it was anticipated that the project would work with 170 SMEs:

- raising in general the competitiveness of small firms within the Lanarkshire economy
- instil cultural change within such companies
- highlight the importance of continual strategic thinking on the part of owners and directors within these organisations.

Throughout the life of the project, effectiveness was to be monitored and evaluated to allow continued improvements to the project and any further developments of future projects.