

3rd September 2026

Agenda Item No.

BUSINESS GATEWAY FIFE ANNUAL PERFORMANCE

Report by: Carol Connolly, Executive Director of Place

Wards Affected: All

Purpose

The purpose of this report is to provide an annual overview of the performance of Business Gateway Fife Ltd in delivering services during the period April 2025 to March 2026, including Fife Council's financial assistance to businesses scheme.

Recommendations

It is recommended that the Committee agrees to:

1. consider the performance, expenditure and activity information on Business Gateway Fife for 2025/26, as detailed in this report;
2. note the continuing uncertainty over external funding and the likely impact to future Business Gateway service delivery.

Resource Implications

Business Gateway is a national programme funded by the Scottish Government to provide consistent business advice and support to pre-start, start-up and existing businesses across Scotland. Since 2008, responsibility for delivery has been devolved to local government. For 2025/26, the budget allocated to deliver Business Gateway contract services in Fife was £760,534. In addition, £145,408 was allocated to provide repayable investment to small and medium-sized businesses through the Fife Investment Fund (FIF).

Legal & Risk Implications

The Service Manager, Economic Development has strategic oversight of Business Gateway Fife Ltd, an arm's-length external organisation wholly owned by Fife Council. Fife Council is the sole member of the company and retains ultimate accountability for governance, assurance and the effective use of public funds. The Council is represented on the Board by two nominated Directors (a Councillor nominee and the Head of Communities and Corporate Development), with officers supporting contract management, compliance and performance oversight.

Robust governance arrangements are in place, including formal Board reporting, contract management procedures and regular performance monitoring aligned to national Business Gateway requirements. This includes scrutiny of financial

performance and grant income drawdown to ensure compliance with funding conditions and subsidy control requirements.

A key risk to ongoing service delivery is the reliance on external revenue funding. Core Scottish Government grant funding has remained static since 2008 and, in recent years, service levels have been sustained through time-limited external programmes, most notably the UK Shared Prosperity Fund (UKSPF). The conclusion of UKSPF activity during 2026 represents a material reduction in available revenue funding.

The transition to the Local Growth Fund (LGF) introduces further uncertainty. While LGF is expected to operate from 2026/27 to 2028/29, Year 1 is anticipated as a transitional arrangement and funding allocations are somewhat reduced. Beyond 2027/28, the expected shift towards capital and regionally commissioned programmes presents a structural risk to Business Gateway delivery, which is predominantly revenue-based.

There is also a governance and delivery risk associated with the funding intended to be routed through regional approach. As Fife sits within both the Edinburgh and South East Scotland and Tay Cities regions, there is a risk of divergence in Business Gateway delivery models, priorities and resourcing. This could result in an inconsistent service offer across Fife and beyond and reduced local control over service design.

Mitigation will require continued active engagement in regional governance structures, development of collaborative delivery models with neighbouring areas, and consideration of service redesign to align with emerging funding frameworks. Ongoing monitoring and reporting will ensure elected members are kept informed of risks, funding changes and any implications for service provision.

Impact Assessment

An EqIA Checklist is not required because the report does not propose a change or revision to existing policies and practices.

The Fairer Scotland Duty, which came into force on 1 April 2018, requires the Council to consider how it can reduce inequalities of outcome caused by socio-economic disadvantage when making strategic decisions. Both the Plan for Fife and Fife's Economic Strategy align with this Duty in their commitment to working towards achieving inclusive economic growth, which is shared by all. The proposed action plan strengthens or will activate additional workstreams that contribute to the delivery of the Fife Economic Strategy 2023-2028 and its aims to deliver further economic growth across Fife.

Consultation

The Head of Legal and Democratic Services and Head of Finance were consulted on this report.

1.0 Background

- 1.1 Business Gateway Fife is an arm's-length company, wholly owned by Fife Council, established to deliver Business Gateway services across Fife. Fife Council is the sole member of the company. The company is governed by a business-led Board, on which the Council is represented by a Councillor and the Head of Communities and Corporate Development.
- 1.2 Business Gateway provides information, advice and guidance to individuals considering starting a business and to existing businesses seeking to grow. It is a national service delivered locally, combining a consistent core offer with local flexibility to respond to business need. The service is supported by a national enquiry service and website, alongside local microsites. Across Scotland, Business Gateway is managed through 18 Lead Local Authorities. Fife is represented nationally through the Scottish Local Authorities Economic Development Executive Group (SLAED) and Business Gateway Network Forums.
- 1.3 Fife Council is responsible for ensuring that Business Gateway services meet the needs of the local business base and respond to market demand. Effective delivery of these services supports the Council's wider economic development objectives by strengthening business engagement, improving accountability and aligning support with local priorities.
- 1.4 Business Gateway Fife operates as a core delivery mechanism within the Council's Economic Development services, providing the primary interface for engagement with start-up and existing businesses. Delivery is dovetailed with wider Council services including Corporate Procurement, Property Services, Planning, Trading Standards and Revenues, and aligned with national and regional partners. This coordinated approach positions Business Gateway Fife as a "front door" to the wider business support ecosystem, ensuring businesses are able to access the full range of local, regional and national support through a consistent and locally responsive service offer.
- 1.5 Business Gateway Fife contributes directly to the priorities set out in Fife's Economic Strategy 2023–2030, in particular:
 - supporting businesses;
 - investing in premises and infrastructure;
 - delivering skills, training and fair employment; and
 - working in collaboration and partnership.
- 1.6 In supporting these priorities, Business Gateway Fife contributes to a range of strategic outcomes, including business start-up and growth, increased economic activity and employment, improved performance in Mid-Fife, recovery and growth in tourism and hospitality, vibrant town centres, workforce development, fair and inclusive access to work, and reduced carbon emissions in line with national targets.
- 1.7 Fife Council Economic Development also promotes an enterprising and entrepreneurial culture through enterprise in education activity, partnership working and awareness-raising of business support services across the public and private sectors.

- 1.8 Fife Council Economic Development has a strong track record in promoting enterprise and innovation, including recognition through the Enterprising Britain Awards. This work continues through the development of enterprise programmes for young people, delivered in partnership with Developing the Young Workforce (DYW) Fife and other stakeholders, helping to support pathways into entrepreneurship.

2.0 Issues and Performance

- 2.1 Following changes introduced during 2020/21, Business Gateway Fife uses a hybrid working model. Mobile and IT solutions enable effective working remotely or from the office. The approach is kept under review to ensure customer service standards are maintained.
- 2.2 Following the move to digital delivery in 2020/21, training workshops and webinars continue to be delivered primarily online, although face-to-face sessions have resumed for topics better suited to in-person delivery. Advisory services remain predominantly face-to-face, with online support available where these better meet customer needs.
- 2.3 The externally funded grant and consultancy support available in 2025/26 remained broadly unchanged, although budgets were slightly lower than in 2024/25 due to reduced UKSPF availability. The main elements of support were:
- SME Development Grant – support for activity including climate and energy transition, digital development, research and development, agri/tourism business diversification, trade development and workforce upskilling.
 - Specialist Business Support – funded access to specialist consultancy support through a procured framework of advisers.
 - Start-up Grant Scheme – grants of up to £500, rising to £1,000 for businesses taking on staff, securing premises or exporting.
- 2.4 The online Fife Business Matters publication continues to highlight the achievements of Fife businesses and their resilience in responding to external pressures. Owing to sustained demand for business features, it is produced monthly and circulated to elected members, key partners and the wider Fife business community. It has also been recognised as best practice by other local authority business support services.
- 2.5 Through its involvement in the Mossmorran Task Force, Business Gateway Fife has supported workers affected by the closure of the ExxonMobil facility. Advisers have delivered support on site to Exxon staff and contractors and have also participated in jobs fairs and other outreach events.
- 2.6 Business Gateway Fife is currently contract-managing a new temporary Social Enterprise Development Officer post within Fife Voluntary Action, funded by Fife Council. The post will support new and established third sector organisations to reduce reliance on grant funding and adopt more commercially sustainable operating models. Sustainability for this post is however still be reviewed.
- 2.7 Business Gateway Fife has begun a strategic review of its staffing structure, processes and premises to identify opportunities to improve operational efficiency and customer service.

2.8 Business Start Up

- 2.8.1 In 2025/26, Business Gateway Fife supported 605 business start-ups, an increase of 42 on the previous year and the highest total recorded by any Business Gateway area in Scotland. These start-ups are projected to create 893 jobs. Female-led businesses accounted for 51% of start-ups, slightly below the national average of 54% and down 3% from 2024/25.
- 2.8.2 Start-ups led by young people accounted for 23% of overall start-up activity in 2025/26, a decrease of 7% compared with the previous year.
- 2.8.3 As set out in Fife's Economic Strategy 2023–2030, Fife Council continues to prioritise start-up support to promote enterprise and employment opportunities across Fife's communities. To remain effective, however, the service must continue to balance support for early-growth businesses with more digital and online delivery models capable of meeting sustained demand from lifestyle businesses.

2.9 Business Growth

- 2.9.1 514 individuals from Fife businesses attended 93 Business Gateway workshops in 2025/26. The Business Gateway National Unit delivers a comprehensive programme of webinars covering the most in demand topics. This allows Business Gateway Fife to provide a more focused programme responding to local needs and current events, as well as providing face-to-face sessions on topics better suited to in person delivery.
- 2.9.2 During 2025/26, Business Gateway Fife provided advisory support to 3,106 indigenous businesses. Support focused on helping businesses respond to the increasing costs of operating through a range of targeted interventions.
- 2.9.3 During 2025/26, 56 businesses across 16 sectors received intensive specialist advice from 21 consultants through the UKSPF funded Specialist Business Advice programme. This support is projected to create 47 new jobs.

Further key 2025/26 headline performance indicators are outlined in **Appendix One** attached – “Key Achievements”.

2.10 Financial Assistance to Business

- 2.10.1 Business Gateway Fife administers the Fife Investment Fund on behalf of Fife Council. This provides interest-free repayable funding of up to £10,000 available for product and process improvements, innovation, and trade and market development. This funding can also be used alongside commercial lending to support wider business investment packages. During 2025/26, 15 awards totalling £140,277 were made. This support is projected to create 27 new jobs.
- 2.10.2 The SME Development Grant scheme, funded by the UK Government through UKSPF, provides grants of up to £3,000 to support workforce upskilling, trade and market development, net zero transition, research and development/innovation, and agri-tourism business diversification. During 2025/26, 73 grants totalling £144,309 were awarded.
- 2.10.3 Also funded through UKSPF, the Start-up Grant scheme provided 91 new businesses with grant support totalling £37,589 during 2025/26.

2.10.4 Fife Council is a member of Business Loans Scotland (BLS), a consortium of Scottish Local Authorities established to provide loan finance to small and medium-sized enterprises (SMEs) across Scotland. In July 2024, the Scottish Government confirmed that BLS would not be recapitalised beyond 2024/25. BLS continues to fulfil its contractual obligation to manage the Realisation Phase (collection of outstanding loan repayments) on behalf of the Scottish Government until March 2029, supported by two part-time employees. The future of Business Loans Scotland beyond this period remains under review. However, it is anticipated that Business Loans Scotland and its subsidiary companies will be wound up and dissolved sometime during 2030.

3.0 Conclusions

- 3.1 Business Gateway Fife has delivered a strong performance in 2025/26, continuing to provide comprehensive advice, guidance and financial assistance to start-up and existing businesses across Fife. The service has supported 605 new business starts - the highest number recorded by any Business Gateway area in Scotland, with these businesses projected to create 893 jobs. This demonstrates the continuing importance of locally delivered business support in encouraging enterprise, employment and economic resilience.
- 3.2 The report also highlights sustained demand from existing businesses for practical support to respond to cost pressures, develop skills, improve productivity and invest in future growth. During 2025/26, Business Gateway Fife supported 3,106 indigenous businesses, delivered 93 workshops to 514 participants, and provided specialist consultancy support to 56 businesses across 16 sectors. Financial assistance through the Fife Investment Fund, SME Development Grant and Start-up Grant schemes has further enabled businesses to invest, adapt and create employment opportunities.
- 3.3 Business Gateway Fife, continues to provide a coordinated “one door” approach to business support, acting as the primary access point for local businesses and connecting them to wider Council services and national programmes through the Economic Development Team. This approach strengthens engagement, reduces fragmentation and ensures that support is aligned to local economic priorities. Activity such as Fife Business Matters, support through the Mossmorran Task Force, the Social Enterprise Development Officer post and wider programmes including Culture of Enterprise, the Supplier Development Programme and Trade Development Programme demonstrate the breadth of the business support offer and its alignment with Fife’s Economic Strategy.
- 3.4 The service has remained agile in responding to changing business needs, including through a blended model of online and face-to-face support, targeted outreach and the ongoing review of staffing, processes and premises. This flexibility will be important in ensuring that Business Gateway Fife can continue to meet business demand, improve operational efficiency and support inclusive economic growth across Fife.
- 3.5 However, the future delivery environment presents a significant risk. Core Business Gateway funding has remained unchanged since 2008 and recent service levels have depended heavily on external revenue funding, particularly UKSPF. The transition to the Local Growth Fund and the shift from 2027/28 towards regional and capital-focused projects, will reduce the funding available for revenue-based business support. Given Fife’s position across two regional partnerships, there is also a risk of differing service offers emerging across the area. Continued engagement with regional partners will therefore be essential to protect a consistent, effective and locally responsive Business Gateway service for Fife businesses. Maintaining this locally

coordinated approach will be critical in ensuring that Fife retains influence over business support delivery and continues to meet the needs of its business community.

Background Papers

Appendix One – BG Fife Key Achievements 2025/26

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