



Community Planning Aberdeen

Progress Report	Project Status Report: Start Up 50 – Supporting individuals to come off universal credits and start a business.
Lead Officer	Roz Taylor/Kirstie McLaughlin/Guilherme De Rosso
Report Author	Roz Taylor
Date of Report	January 2024
Governance Group	CPA Board – 29 February 2024

Purpose of the Report

This report presents the results of the LOIP Improvement Project Aim to Supporting 50 people to start a business in Aberdeen who will be coming off the benefits system or significantly reducing their benefits through starting a business by 2023.

Summary of Key Information

1 BACKGROUND

1.1 Aberdeen City and Shire has always been a reasonably prosperous region with high levels of start-up activity and new businesses. However, during the pandemic understandably there was a reduction in the on the ground engagement and the number of businesses beginning to trade in the region. (Although the drop in start-up numbers were nowhere near where had been anticipated and as a region Aberdeen City showed significantly more start up activity that many other local Business Gateway regions) Focus during the pandemic had to move to supporting existing businesses within the region who were looking to survive. Elevator through the Business Gateway service were able to continue to support both existing and start-up businesses in the region throughout the COVID crisis. This was possible as the BG team were not required to support grant delivery as happened in many other regions which did not have the Business Gateway (BG) services contracted out.

City Start up Figures:

18/19 – 558
19/20 – 576
20-21 – 420

1.2 The COVID crisis saw a significant increase in the number of individuals who have were in receipt of universal credits within the city region. Early 2020 recorded in the region of 7000 individuals in the city receiving universal credits whereas the figures in 2021 showed 18,000 city residents in receipt of Universal Credits.

1.3 Looking further at these figures the age group between 20 and 40 sees the highest number of individuals receiving Universal Credits. Further more the following 4

areas, George St & The Harbour, Northfield/Mastrick North, Tillydrone/Seaton/Old Aberdeen & Torry/Ferryhill all areas which are already seen as priority areas. Central Aberdeen sees the highest no. of people receiving Universal Credits.

- 1.4 Taking all of this information into account, and now we were in a position to get out and about into the local communities, developing change ideas to support those individuals on Universal Credit to consider and actively move forward into starting a business as an alternative to remaining on Government Benefits.
- 1.5 There are no baseline figures for No. individuals starting a business within the city who are coming off or significantly reducing their universal credits as we previously didn't currently record this, we began recording these figures at the beginning of the project.

2 IMPROVEMENT PROJECT AIM

- 2.1 Against this background, on November 2021 the CPA Board approved the [project charter](#) for the initiation of an improvement project which aimed to Supporting 50 people to start a business in Aberdeen who will be coming off the benefits system or significantly reducing their benefits through starting a business by 2023 & by 100 by 2026
- 2.2 The specific project was chosen as there had been identified within the specific locality that there were higher numbers of individuals receiving universal credits that in other areas of Aberdeen City. While statistics show that the impact within the regions through the Business Gateway Services was significant there was a need to increase support to individuals within these regions to come off universal credits. This charter and project was specifically aimed to support this through the change ideas which had been tried, tested and in some cases positively implemented. A previous charter had done some work within localities on an adhoc basis, however it was found that this resulted in limited engagement within the localities and so it was more regular activities which were required moving forward.

3 WHAT CHANGES DID WE MAKE?

- 3.1 We tested how dedicated BG Advisers per locality – Buddied up with DWP advisers – increased the number of direct referrals being passed over to BG (North, South and Central) – We began this process by testing adhoc engagement within the community, however quickly realised that a regular presence within the locality in a location which is recognised in that community would provide the greater impact by ensuring regular marketing opportunities and specific days when our individual was in the region. The chosen locations were the Skills Centre in Torry, Tillydrone Community Campus and Cummings Park Community Centre. In addition to this we introduced a Community Business Adviser role into the Business Gateway Tender which was submitted to begin April 2023 and the introduction of Donna Davie on a regular basis within the localities has been hugely impactful. This was highlighted in a recent visit individuals of Aberdeen City Council and Aberdeen Prospers Management Group. I have inserted some photographs below and in essence we brought in one of Donna's clients, Donna and Roz to discuss the importance of the in community and the benefits to clients having a community business adviser within the locality. This has been innovatively brought to the region through the delivery of the Business Gateway Services by Elevator.



3.2 We tested how regular Team to Team sessions to understand both what was happening in the Job Centre & BG increase engagement and working between teams – This element has worked successfully but in a slightly different manner to that which had been anticipated. We have worked closely with the organisations who are located within the 3 regions we are based in, however this has predominantly been through our Community Business Adviser Donna and the organisations within the location. This has proven to be the best method of engagement and has resulted in reasonably regular referrals in both directions. In addition to this we also attend the job centre on a regular basis and are involved with many of the jobs fairs which are running within the region. Both Donna and our other team members are involved in the Jobs Fairs however Donna tends to be the key contact within the Job Centre's. We have regular engagement and meetings with the ABZ works team although it remains challenging to get together with other departments whom deal with Businesses within the Aberdeen City region – planning, environmental health, trading standards, licensing – these parts of the council would benefit hugely from more engagement with BG as would our clients in having easier access to them.

3.3 We tested how regular information sessions/webinars for individuals who are on universal credits either digitally or within the job centre increase the number of individuals engaging with BG / setting up a business - As previously mentioned we have located Donna within the Job Centre on a regular basis and as part of this have been introducing sessions specifically for individuals thinking about starting a business. This had proven to be really beneficial and positive for individuals who specifically don't have the ability to travel far. We have also been running these sessions successfully in the locality regions which have again proven to be successful.

3.4 We tested how a Young Persons Seed Fund could positively impact young people starting a business – a collaboration was between the Council and BG to support young people to start up a business with some funding support through the young persons guarantee fund – The seed fund for young individuals who are looking to start a business has worked really well, with around 16 eligible young people starting a business being referred to and supported by ABZ works. We have a great relationship with ABZ works

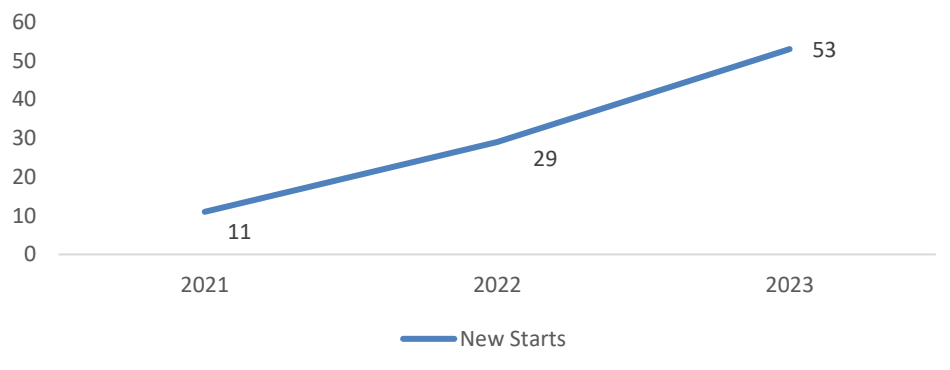
and the seed fund team and have had good numbers of individuals who have gone through the process of applying for funding. The great element of this fund is that it is allocated based upon the need of the individual and so really makes them think hard about the funding that they need, researching the costs and bringing them all together. Our advisers work through the application with them to make sure that they have fully researched the business and understand what their needs are, while from the council side they have a support worker to -provide them with the personal support which may be required. This is another really successful part of the project and so long as there is still funding available would be a continued benefit to the City.

- 3.5 We tested how Start up funding for parents out of work or in work poverty might positively support business start up – another collaboration between the Council and BG supports parents looking to get back into working through self employment – As with the young persons fund the parental fund has also proven to be successful in a similar manner to the above with 19 eligible businesses being referred to ABZ Works.
- 3.6 We tested how events/engagement with students could result in them starting a business – Beauty Therapy, Hairdressing, Photography etc. – Working more closely with the colleges to get BG into those courses which have potential to be self-employed. – This change idea has been more on an as and when basis than a regular basis. NESCOL will ask us to provide start up awareness sessions for their students in specific classes and we are able to support this, however the suggestion of a “be your own boss” day has been a little more challenging as it is difficult to get this type of event scheduled into the students calendar. It is something which might be revisited as the project continues and how we might better engage with the students on a more regular basis specifically in the run up to the end of their course years.
- 3.7 One other area to specifically note would be our Festival. Back in the initial charter which we delivered in 2019 we introduced a festival. The first festival in November 2019 was “The BeBrave Festival” and was fantastically well received. Elevator through partnership with the Business Gateway Team have continued to develop and innovate the festival to now become the “Transform Business Festival” In November 2023 we successfully delivered our second Transform Business Festival which was again really well received by current and future clients and our professional network whom attended and engaged with the attendees to support them with their services.

4 HAVE OUR CHANGES RESULTED IN IMPROVEMENT?

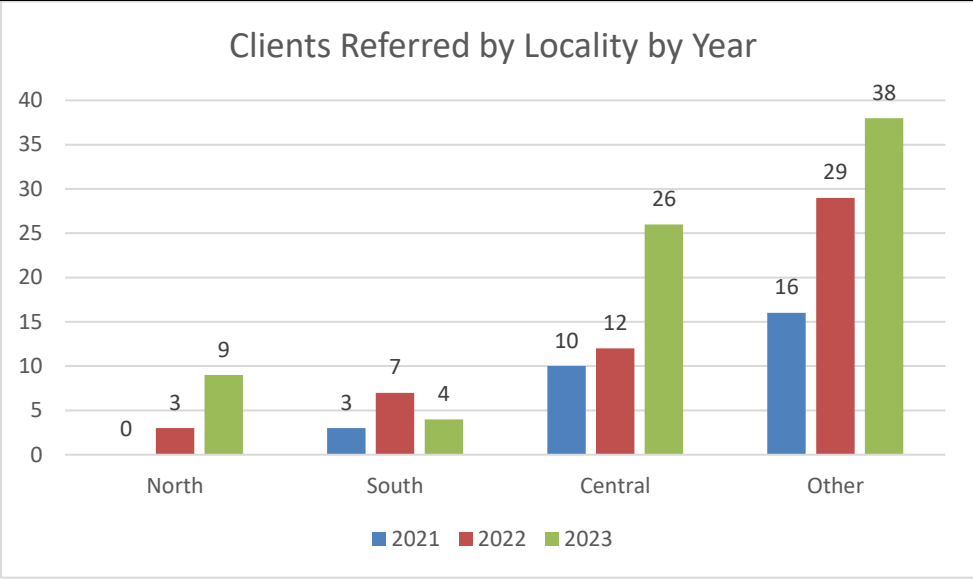
- 4.1 Yes the aim for 2023 has been achieved. Overall the project charter has been hugely successful, not only have the targets been exceeded to December 2023 – total of 53 individuals starting a business as shown in the chart below, against the 50 that was targeted - but there have been a number of significant improvements to how start up support is delivered locally in Aberdeen City.
- 4.2 Chart 1 – Shows the total number of individuals who started trading to significantly reduce their universal credit payments or completely come off universal credits.

Total number of individuals who started trading to significantly reduce their universal credit payments or completely come off universal credits

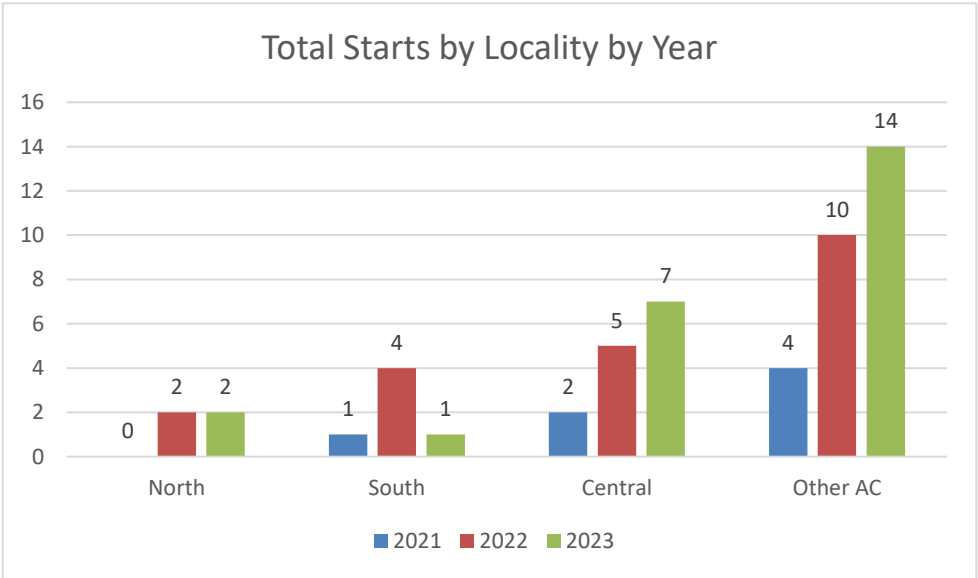


4.3 It has always been the case that we have through delivering the Business Gateway Services been able to deliver across the city, however limited personnel resources restricts the ability to be able to deliver in different localities. Elevator introducing the Community Business Adviser as part of their bid for the tender in 2022 resulted in a change idea being moved forward with certainty and financial resource. This has resulted in Donna being well known and respected as the first point for starting a business across the localities. The only element of the project which has been challenging has been getting the commitment of the other members of the group out with the Elevator team. While initially we managed to get the team together, as time went on it was difficult to get the team together to the point that post COVID the decision was taken for Elevator to continue to push this charter solely. For the future it would be beneficial not only to have other people on the group but have them engaged in the work which is being undertaken to increase start up individuals coming off universal credits in the city of Aberdeen.

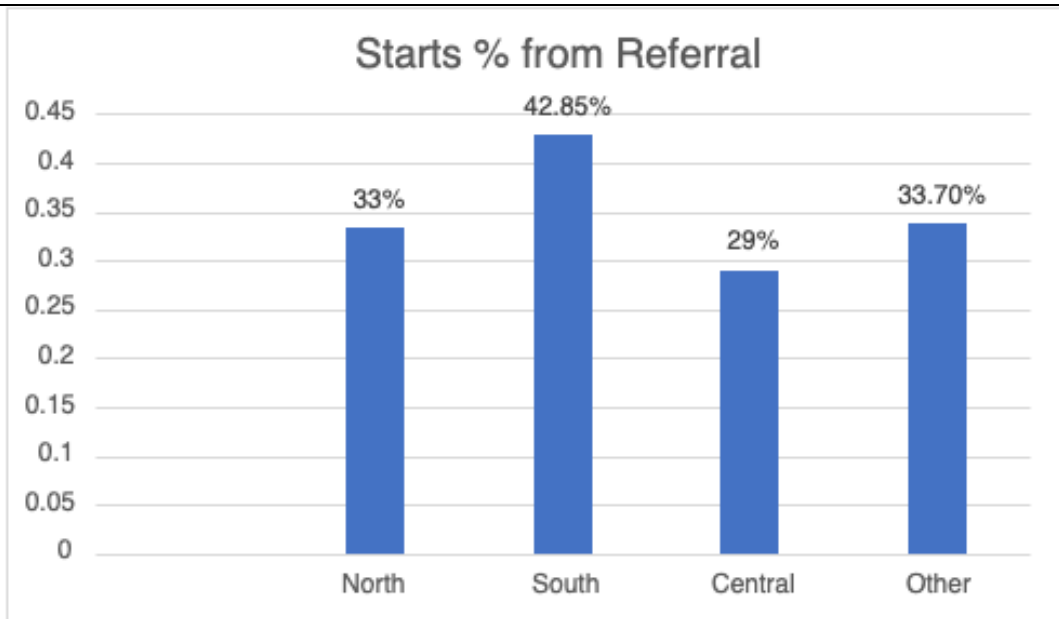
4.4 Chart 2 - shows us the total number of client referrals for Aberdeen City per year by locality. These clients are clients who are in receipt of universal credits at the time when they engaged with Business Gateway. The chart shows that the majority of the referrals are from other regions of Aberdeen and that of the priority regions the Central region showed the most significant number of referrals.



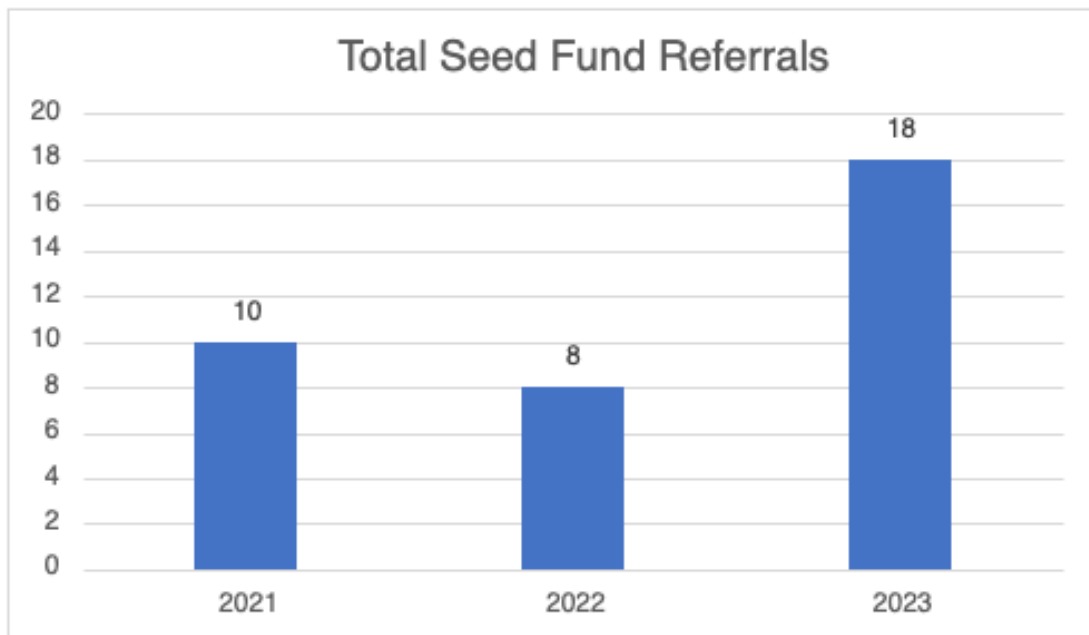
4.5 Chart 3 – Shows the total number of individuals who started trading to significantly reduce their universal credit payments or completely come off their universal credits by locality by year.



4.6 Chart 4 – shows the conversion rate from referral to start-up. It is normally the case that when looking at conversion rates there is an approximate 50% conversion rate, however we have often found that conversion rates for individual who are on universal credits are traditionally lower. We can see that although there are less referrals in North and South locality the conversion rate is more positive than in the central and other localities.



4.7 Chart 5 – Shows the total number of individuals who were referred into the seed funds from Business Gateway



4.8 Feedback collected from Businesses:

100% of the clients have either already recommended or would recommend the service to other people

100% of the clients highlighted that it is Extremely important for them to have a community business adviser within the community

4.9 Comments from some of the clients

1. Donna Davie has been fantastic. I have completely appreciated her support & the space to discuss my business with someone who understands my concerns, dreams &

aspirations. The service & Donna have really kept me motivated and involved in my business growth & development.

2. Donna was so helpful with my young person who is looking to set up her own beauty business in the future. She made everything sound easier and provided useful links too, thank you so much!
3. This is an extremely important service as some people can't travel, for me having business support on my doorstep is perfect, Donna my support advisor has helped me get my business up and running advising me of things I didn't know existed, helping me through my business plan and financial plan and without this support I would have never managed to get to where I am today .
4. Very important and helpful very knowledgeable point me in the right direction
5. Funding information turned out to be in applicable. Other than that the service is great
6. Donna has already been an invaluable source of support, information and guidance and I'm sure I'll be calling on her expertise more. Starting a new business is pretty daunting but having people like Donna on hand makes it far less stressful. Thank you.
7. It's a very valued service
8. Donna Davie is a great adviser. She seemed to be very interested in my business and was really helpful and insightful.
9. Donna was very helpful and happy to help. Gave me loads of useful advice and tools to get my business started.

5 HOW HAVE OUR COMMUNITIES/PROTECTED GROUPS PARTICIPATED IN THE PROJECT AND THE IMPACT OF THIS

Community engagement out with the community business adviser role has been limited unfortunately. We received some requests for increasing social enterprises within the localities, however this is difficult to undertake as one change idea as most individuals in the challenged localities are looking to start a business to provide them with personal income not through an organisation such as a social enterprise. We do have continual engagement with the communities through the localities which we are present in but is it more reactive than proactive. This would be an area which could be looked into further in the future as to how the communities and the organisations within the communities could engage better with the charter.

6 HOW WILL WE MONITOR AND SUSTAIN THESE IMPROVEMENTS?

- 6.1 Elevator as the lead organisation within this charter and delivery contractor of the Business Gateway Contract has access to the data through the Business Gateway Database and so moving forward monitoring could continue through ongoing recording of individuals on universal credits and the areas we have reported on. The Business Gateway will move to delivery through Aberdeenshire council post April and so the data should still be accessible moving forward. These improvements have been delivered through the Business Gateway Contract as per the submitted tender and the commitment of Elevator to grow the economy in the region. Continued commitment through Aberdeenshire Council to support the activities which have been implemented over the past 2.5 years would be required in order to sustain these improvements.

7 OPPORTUNITIES FOR SCALE UP AND SPREAD

- 7.1 The success of the community business adviser and funding which has become available to clients through the Young Person and Parental fund would be recommended to be increased. There would be other specific parts of Aberdeen City which would

benefit from a regular community business adviser being present. There would also be an opportunity, perhaps through some of the new funds which have come about, to increase the funding for start up businesses in the City. The cost of living crisis has resulted in people finding it challenging to have surplus fund to start a business and to develop the city centre there would need to be significant funding for starting a business to be able to support the city centre plans.

7.2 There are other areas which could be developed further including engagement with Universities and Colleges, additional funding for more individuals to start a business, additional staff resources out in the community, however much of this is dependent on additional funding through the council. We know that there have been different pockets of funding allocated to organisations for supporting start up activities for example RGU however it would be beneficial for criteria around this funding to be collaborative and to ensure that there is no duplication of services which is often identified.

7.3 Post April 2024 the Business Gateway Services will be delivered through Aberdeenshire Council and so there is perhaps an opportunity for more resources to be put out in the communities in Aberdeen City to build on the work which Elevator has undertaken through the Charter.

Recommendations for Action

It is recommended that the CPA Board:

- i) Agree that the aim for 2023 of 50 has been achieved and that the project continues to 2026 to achieve the 100 individuals being supported to either come off universal credits or significantly reduce their reliance on universal credits as per the current aim and that this be retained in the refreshed LOIP.

Opportunities and Risks

The key opportunities for this project are that there are increasing number of organisations within the City whom could become involved in the charter and therefor have a greater opportunity to get to more individuals on universal credits who could look at starting a business. As mentioned in the recommendations there would be a benefit and opportunity in increasing the number of community business advisers within the City region to expand the number of localities where that direct support is on offer. We would suggest that in addition to greater commitment from NESCOL to support individuals who attend the college to engage with Business Gateway, but that the other educational institutions become part of the project team – specifically where they have programmes for individuals starting a business, this would support the project and potentially increase the number of individuals on universal credits to come off universal credits.

The risks for the project are the potential changes in the delivery of the Business Gateway Contract and any reduction in people resource for the city. There would also be a risk of duplication of services which could be mitigated by a greater required level of collaboration between organisations and Business Gateway where there are specialist start up services available through other organisations. An example of really positive collaboration is between ONE food and Drink, Elevator & Business Gateway.

Consultation

Aberdeen Prospers.

Background Papers

The following papers were used in the preparation of this report.

[Ongoing charter update reports](#)

[Charter](#)

Contact details:

Roz Taylor, Operations Director Elevator, Guilherme De Rosso, Operations Manager BG
ACS