

NORTH HIGHLAND FORUM

DRAFT ACTION PLAN

INTRODUCTION

This action plan has been prepared by the North Highland Forum, the Local Economic Forum for Caithness and Sutherland on the provision of services to businesses.

The plan has been prepared in the light of the National Guidelines for Local Economic Forums, issued by the Scottish Executive, Enterprise and Lifelong Learning Committee, The Way Forward - The Framework for Economic Development in Scotland and A Smart Successful Scotland – Ambitions for the Enterprise Networks. The assessment framework for Local Economic Forum Action Plans has also been considered during the drafting of the plan.

Composition of the North Highland Forum

Members of the North Highland Forum are as follows:

Caithness Business Club

Caithness and Sutherland Chamber of Commerce

Federation of Small Business

North Highland College

Highlands of Scotland Tourist Board

The Employment Service

Caithness Area Committee - The Highland Council

Sutherland County Committee – The Highland Council

Caithness and Sutherland Enterprise (two representatives)

Caithness Partnership

Sutherland Partnership

National Farmers Union/Scottish Farmers Union representative

The North Highland Forum has appointed an independent chairman, Lord MacLennan of Rogart.

The chart at Appendix 1 shows how a variety of other related organisations/bodies can engage with the core forum.

Background to the action plan

The draft action plan has been compiled using the following sources of information:

- The mapping exercise implemented by the North Highland Forum. That document includes a description of current business development services available in the area it also refers to perceived gaps in service provision and highlights areas of potential overlap. This exercise was conducted by LEC staff with input and assistance from all other Forum members.
- Relevant findings from a customer satisfaction survey commissioned by the North Highland Forum. A questionnaire was distributed to 1349 individual business people. The overall response rate was 12.5% which is above average for a survey of this kind. The survey was designed to gauge perceptions, usage and satisfaction with the provision of business support services in the area and included data from 101 self-completion questionnaires. In addition telephone interviews were conducted by the consultancy firm George Street Research of 62 individuals being a structured representative sample of North Highland business people.

- Reviews of partnerships and Business organisations associated with economic/business development in the area carried out by the relevant organisations.
- Relevant findings for the Communications & Customer Satisfaction Survey 2000 – Caithness and Sutherland Enterprise
- Findings of Aberdeen University Arkleton Centre for Rural Development Research, Dynamics of Rural Areas (DORA), John Bryden and Keith Hart published October 2001.

SUMMARY OF THE DEMOGRAPHIC AND ECONOMIC SITUATION

This summary contains information about the economic and demographic structure of Caithness and Sutherland. The data used has been derived mainly from the General Register's Office for Scotland (GRO(S)) 1998, the Office for National Statistics (ONS) and The Highland Council Planning & Development Service - Highland Trends 1999. Where possible, the most recent available information has been used, however in some cases this may be 1997 statistics. Nevertheless, the data still illustrates the recent population, unemployment and employment trends in the area.

- The counties of Caithness and Sutherland encompass a vast and diverse area with many distinct communities.
- Caithness and Sutherland covers an area of 7,650 square kilometres
- The main industries in the area are: manufacturing; nuclear engineering; tourism; fishing; agriculture; call centres; and, communications.

Population

- According to the latest estimates, the population of Caithness and Sutherland in 1998 was 38,810 representing a population decrease of 2.7% between 1991 and 1998. This figure accounted for 10.5% of the total HIE area population. The population decrease was mainly a result of negative natural change.
- The population density of Caithness and Sutherland in 1998 was 5 persons per square kilometre.
- 1998 population figures indicate a trend towards an aging population as the proportion of the population under 44 years in the area is decreasing. The population of the Caithness and Sutherland area remains marginally younger than the HIE area population as a whole.
- The majority of the population is in Caithness (26,733). The main towns in Caithness are Wick (8,754), Thurso (9,233) and Halkirk (1,585).
- The largest centres of population in Sutherland are on the east coast, with the north and west of the county being more sparsely populated. The main centres of population in Sutherland (13,187) are Dornoch (2,128), Brora (1,922) and Golspie (1,657).

Unemployment

- The unemployment rates for September 2001 were: 6.5% in the Sutherland TTWA, 3.1% in the Thurso TTWA, and 6.4% in the Wick TTWA. These rates also show a considerable decrease from the September 2000 - 8.5%, 4.0% and 7.0% respectively.

Employment

There is no recent comprehensive profile of employment in the Caithness and Sutherland area since the 1991 census. More recent surveys carried out by the ONS solely focus on employees in employment, thereby excluding the self-employed. However the 1991 census indicated that there were 2,850 self-employed individuals in the LEC area.

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- In 1997, there were a total of 12,630 employees in employment 55.0% of whom were female
- The largest proportion of employees were employed in the Public Administration, Education & Health sector, accounting for 29.2% of the total number of people in employment.
- The 1997 Agricultural Census indicates that in 1997 there were 3,185 persons engaged in agricultural activity in Caithness and Sutherland.
- Distribution, Hotels & Restaurants sector, at 24.6%, also accounted for a large proportion of employment opportunities.
- There were 8.9% of employees employed in Manufacturing in 1997 and 6.4% employed in Construction.

STATEMENT OF ROLES AND RESPONSIBILITIES

The mapping exercise sets out the current roles and responsibilities of agencies involved in the delivery of business development services in Caithness and Sutherland.

The main public sector organisations involved in the delivery of business development service are Caithness and Sutherland Enterprise, CASE, the local enterprise company in the area and the Highland Council. The Employment Service, Highlands of Scotland Tourist Board and the North Highland College are involved to a lesser degree and tend to provide specific services.

More recently, the Sutherland Partnership and the Caithness Partnership have been established and both have in turn set up Companies Limited by guarantee *which aim to* complement and amplify the effectiveness of those services provided by the responsible public agencies. Although their origins, memberships and tasks have differed in some respects, both have enjoyed and owe their initial successes to the support of the principal public agencies with business development responsibilities as well as that of the business communities.

In general there is very little duplication or overlap in current public sector provision and this is confirmed by the results of both the North Highland Forum Customer Satisfaction survey results and the views of the business organisations represented on the North Highland Forum. On the other hand, the same sources have indicated three perceived broad areas of business support which are not currently provided for by other publicly funded activity, which are not and are unlikely to be economically provided by the local private sector

These are:-

- 1 Specialised business consultancy services
- 2 Project identification and preparation for funding
- 3 Local area inward investment activity

The survey carried out by NHF identified CASE as being the organisation approached by the largest proportion of businesses for almost all areas of support and advice. In the Communications and Customer Satisfaction Survey 2000 – Caithness and Sutherland, CASE was mentioned spontaneously by 79% of those interviewed as the organisation responsible for helping businesses in the area.

There is however an underlying confusion about where and how to access some services and a desire for more easily accessible information on what is available from all sources.

The main partnerships in Caithness and Sutherland with an interest in economic/business/community development issues are the North Highland Forum, Sutherland Partnership and Caithness Partnership. Many of the other partnerships mentioned are

represented on these bodies. These partnerships are in the main, not involved in the delivery of services, CASE and the Highland Council being the main deliverers.

CONSULTATION IN THE PREPARATION OF THE ACTION PLAN

The broad membership of the NHF and the wide range of activities those members are involved in has allowed for the engagement of most sectors of the community in the preparation of the action plan if they have wished. This has been achieved by the following means:

- Consultation with member organisations – particularly business organisations who have consulted widely with their own membership
- Telephone and questionnaire survey of individual businesses within the area. Postal questionnaire included an explanatory note from the Chairman outlining the remit of the Forum.
- Establishment of Forum Website – it is intended that the website will contain minutes of meeting and updates of the forum's progress
- Availability of questionnaire on the website with e-mail facility
- Press Releases

It must be stressed, however, that the role of the NHF, as conceived by the Scottish Executive, is not an executive one. It is to provide a strategic overview, in this case of services to businesses. It is hoped that the recommendations contained in this Action Plan may be of use to those who do have executive responsibilities in the fields covered by this report.

QUALITATIVE ASSESSMENT OF EXISTING SERVICES AND IDENTIFICATION OF GAPS IN PROVISION

All Forum members were tasked with establishing the views of their organisations and members with regard to current business development services, areas for improvement and perceived gaps in provision. The main themes which emerged from the consultation are outlined below.

- There is little overlap or duplication in current provision and therefore no significant potential savings to be made.
- Current provision, though criticised by an important minority, is generally adequate.
- There is a general lack of awareness especially in the agricultural sector, of the range of business development services, who provides them, who is eligible for them and how they can be accessed.
- The potential for skills development should involve the business community more and be more 'demand led'.
- The links between the Highland Councillors and CASE should be better structured to promote agreed action on local economic development.
- There is a public perception that some public agencies lack appropriate levels of commercial knowledge and working experience.
- There is an inadequate provision of specialised strategic business services e.g. crisis management, corporate rescue and restructuring, acquisition/disinvestments, commercial legal services, director training and corporate governance.
- There is a perceived lack of local executive capacity for project identification and preparation for funding.
- There is a desire for more proactive inward investment activity and also a review of current policy regarding provision of advance property.
- Some confusion exists as to delivery mechanisms, who does what and how to access services

- Lack of clarity regarding eligibility for various services requires to be addressed
- Linkages between organisations/signposting could be improved, potential for “one-stop shops” for communication and information – not necessarily delivery. The model of the close working relationship between Highland Council and CASE staff could be developed.
- Potential for injecting more expert commercial and business knowledge into the decision making process (greater involvement of the business community)
- Gap in provision of assistance for retail sector

In addition to collating the view of Forum members, the Forum undertook a wide ranging survey involving 101 self completion questionnaires and 62 telephone surveys to gauge perceptions, usage and satisfaction with the provision of business support services. The overall aim of the research programme was to fulfil the following core objectives:

- To measure awareness and perceptions of support services and providers available to businesses in the region;
- To establish which providers and services are used and the motivations behind using particular providers;
- To determine levels and causes of satisfaction / dissatisfaction with services and providers and identify potential areas for improvement.

Data from the Communications and Customer Satisfaction Survey 2000–Caithness and Sutherland (CCSS), commissioned by Highlands and Islands Enterprise has also been included where appropriate.

Some clear and consistent themes are evident throughout the results and these are summarised below:

- Around two thirds of businesses responding to the self-completion survey (67%) claim to have ever sought assistance from a publicly funded agency. This compares with just over one in three participants in the telephone survey (37%) who had sought business advice or support from any source within the last year and around half (48%) in the previous two to four years.
- The two areas where advice or support has been most widely sought relate to “expansion” or “start-ups”. Almost half of the businesses that responded to the self-completion survey (46%) looked for advice on “expansion” and two in five (40%) on “start-ups”. Findings from the telephone survey indicate the two areas where assistance has been most frequently sought in the last year are “skills, development and training” (16%) and “finance” issues (11%).
- Whilst a wide range of both publicly funded and private organisations have been approached for assistance, the Enterprise Network (“CASE/HIE”) has been approached by the largest proportions of businesses participating in either survey for almost all areas of support or advice.
- Satisfaction levels are mixed, although average ratings are largely positive (generally between “helpful” and “very helpful”). Overall satisfaction with CASE, the most widely used organisation, is relatively high particularly in the areas of “signposting to other agencies” and “follow through” where average ratings of “very helpful” were received. It is also interesting to note that “Banks” and the Inland Revenue are particularly well rated for “signposting to other agencies”, perhaps reflecting referrals to the Enterprise Network.
- Whilst initial examination of satisfaction ratings suggests a relatively positive assessment from those participating in the self-completion survey, CASE features regularly amongst

both "exceptionally good" and "exceptionally poor" experiences of participants. The latter cases were evidently mainly attributable to insufficient business experience of individual providers encountered or poor customer service attitudes. Data from the telephone survey indicated relatively low levels of overall satisfaction with CASE (a third of respondents indicating dissatisfaction) although on individual service aspects the agency's performance was more promising.

- CCSS data indicates 28% of businesses who have had contact with CASE being dissatisfied with the service they received, reasons for dissatisfaction included "no or insufficient financial help given" (18%), "no help given"(27%), "negative attitude" (19%) and "too much paperwork" (13%).
- More specifically, CASE courses were highlighted for exceptionally good experiences (6%) whilst staff were singled out for negative comment by the same proportion. This corresponds with findings from the telephone survey which indicate that staffing issues can be a major contributory factor to dissatisfaction with service. Publicly funded organisations generally are also criticised for being far too "bureaucratic" as well as "unhelpful, unprofessional and rude".
- When businesses responding to the self-completion survey were asked the main reason for not approaching a publicly funded organisation it was most often stated that they were just "too slow and cumbersome". Participants in the telephone survey who had preferred to approach private companies for advice or support, tended to attribute this to a perception of "more specialist knowledge" in the private sector.
- Almost one in ten participants in the telephone survey (8%) suggested that to improve services there should be more "help for smaller / local firms" as well as "more information available". Similarly, in the self-completion questionnaire the most frequently cited suggestion for improvement related to "more assistance, information and funding for small firms" (13%). A further 8% also claimed that publicly funded services were "not interested / biased against small businesses".

All respondents, whether they had used publicly funded services or not, were given the opportunity to put forward general comments on services for businesses and any ways that services could be improved.

- Whilst an extensive list of suggested improvements was put forward, the most frequently cited suggestion related to "more assistance, information and funding for small firms". This was mentioned by just over one in ten respondents (13%) and a further 8% claimed that publicly funded services were "not interested / biased against small businesses". Similarly, 10% claimed "the allocation of funds/services was unfair", funding wasn't available because "people didn't fit the criteria" (9%) or there was "bias towards tourism businesses and not retailers" (8%).
- Almost half of the participants in the telephone survey did not suggest any particular improvements, 15% said they "were out of touch" and should have "more meetings" or "decentralise." The most popular suggestions were that there should be "fewer organisations / a one stop shop" (24%) followed by "less confusion / more information and better marketing about who provides what" (21%).

Finally, all respondents were asked if there were any business services not currently available that they would like to see made available.

- The most common suggestion from both self completion and telephone surveys was for a one stop shop” as “the present system needs an overhaul” (5%).
- From the telephone survey, previous remarks that organisations were too “bureaucratic” or that to make improvements there should be “more assistance, information and funding for small firms” were only reinforced by the most popular suggestion for additional services. Just under one in ten respondents (8%) thought there should be more “help for smaller / local firms” as well as making “more information available.

PROPOSALS FOR ACTION

1. Proposals to tackle Overlap and Duplication

The general consensus within the Caithness and Sutherland Area was that there was little or no overlap or duplication in the delivery of business development services. What duplication there was (for example in the provision of commercial property and loan/equity funding) was minimal and did not appear to cause confusion.

It was agreed that there was potential for better sharing of information/sign-posting and joint application forms for the Highland Council and the LEC. These issues are dealt with under proposals for streamlining delivery and improving the standards of service.

2. Proposals to Streamline Delivery

A number of issues had been raised regarding the streamlining of delivery of services, these included better quality and access to information on availability of and eligibility for assistance, better signposting between agencies and potential for joint application forms.

2.1 Action – Improve Signposting and Communications between Agencies

Review current communication channels between agencies (initially HC and LEC but also ES, HOST and Careers Scotland, develop model of close working relationship between HC and CASE staff in Sutherland.

Improve access to information on services available between agencies – web based, regular updates

Formalise communications procedures

Action to be taken by: Sub group of relevant organisations

Report back: December 2001

2.2 Action – Streamline application procedures

Simplify application process where assistance is being sought from more than one fund/organisation

Investigate potential for joint application forms, research legal, audit and data protection implications

Action to be taken by: Highland Council and CASE

Report Back: March 2002

2.3 Action – Enhance interaction between elected members and LEC Boards

Regular, formalised meetings should take place between the LEC and the Highland Council's elected members to consider particular issues affecting business development and economic strategy.

Action to be taken by: Highland Council and CASE
Report Back: December 2001

3 Proposals to Address Gaps in Service Delivery

A number of gaps in provision were identified and required action. They include:-

- (a) The need to investigate the provision of specialised strategic business services for crisis management, corporate rescue and restructuring, acquisition/disinvestment, commercial legal services, director training and corporate planning.
- (b) The need to fill the gaps in assistance to the retail sector.
- (c) The need to enhance access to business services by the agricultural sector.
- (d) The need to enhance the local executive capacity to identify projects and prepare them for funding.
- (e) The need to enhance local creative inward investment activity.
- (f) The need to address the public perception that some public agencies lack appropriate levels of commercial knowledge and experience.

3.1 Action – To investigate provision of specialised strategic business services

- (i) Through the Caithness Partnership and the Sutherland Partnership, examine the parameters of the perceived gap in local provision of specialised strategic business services.
- (ii) Enlist the assistance of a panel of persons with relevant business experience willing to be called on as required to assist the process.
- (iii) Following a review of local private sector professional business advice services, compile a register of professionals for signposting purposes – enabling swift access to advice when needed.
- (iv) Involve business organisations in dissemination of information – encouraging presentations by professional advisers.

Action to be taken by: The Sutherland Partnership and the Caithness Partnership
Report back: Feb 2002

3.2 Action – Review of policy with regard to assistance for the retail sector

A gap was identified in respect of assistance (particularly financial assistance) available to the retail sector.

Existing policy should be reviewed (preferably with input from HIE and the Scottish Executive). Consideration should be given to commissioning economic research and retail consultants to advise on the structure and content of appropriate business support services in this sector. Particular regard should be given to support offered in remote and rural communities in the Nordic countries.

Existing available support should be clarified and promoted more vigorously.

Action to be taken by: CASE
Report Back: March 2002

3.3 Action – Enhance access to business services by agricultural sector

In line with “A Forward Strategy for Scottish Agriculture” improve the provision of business advice and signposting to agricultural businesses.

Improve communication with farm-related businesses to clarify assistance available and methods of delivery.

Action to be taken by: The Agricultural Sector Representative on the Forum– in consultation with SERAD, the College of Agriculture, the NFU the SCU and the Crofter’s Commission in particular.

Report Back: : February 2002

3.4 Action – Investigate perceived gap in proactive identification of projects and preparation for funding

Examine the parameters of the perceived gap in local provision of the proactive identification and development of projects and preparation for funding.

Action to be taken by: The Sutherland Partnership and the Caithness Partnership.

Report Back: Feb 2002

3.5 Action: Examine perceived gap in local creative inward investment activity

In conjunction with 3.1 and 3.4 above, examine the parameters of the perceived need to enhance local creative inward investment activity.

Review current policy regarding provision of advance property.

Action to be taken by: The Sutherland Partnership and the Caithness Partnership.

Report back: February 2002

3.6 Action – to address the perception that some public agencies lack appropriate levels of commercial knowledge and experience

Service providers are invited to carry out internal skills audits, to identify the extent of commercial inexperience and progressively to introduce recruitment policies to make good any experience deficit.

Action to be taken by: CASE, HC Development Department

Report backFeb 2002

4. Proposals to Improve Standards of Service

The main issues to be addressed with regard to improving the standards of service are improved access to information regarding service availability and eligibility criteria, work on increasing levels of customer satisfaction, simplified application procedures for multiple applications and greater use of available expertise in decision / policy making processes.

4.1 Action – Introduction of a one stop service approach for information on business development Services and improve the quality of the information available.

Build on existing information provision – BIS, Service Points to ensure that information is available on all business development services, ensure all relevant organisations are kept informed of additions or changes to services

Review existing information and update where required, particularly regarding eligibility criteria.

Further develop web based information provision.

Action to be taken by: Service Providers
Report Back: December 2001

4.2 Action – Increase customer satisfaction levels

Survey information indicates relatively high levels of dissatisfaction with service providers. Dissatisfaction is related to a number of factors, some outwith the control of the providers, however action will be taken to increase levels of satisfaction where possible.

CASE involvement in further research into reasons for dissatisfaction – develop strategy to minimise dissatisfaction.

Service providers to review staff training and practices, particularly with regard to customer relationship management.

Action to be taken by: Service Providers
Report Back: March 2002

4.3 Action – Greater involvement of business community in formulation of policy and decision making process

Investigation of current business mentoring scheme and potential for increased use of existing business/commercial expertise

Investigation into potential for Highland Business Panel to review large development projects bearing in mind requirement to retain commercial confidentiality

Action to be taken by: The Caithness Partnership and The Sutherland Partnership
Report Back: March 2002

ALIGNMENT WITH COMMUNITY PLANNING

Community Planning is based on the principle of working in partnership to achieve a shared vision & process of joint action for the benefit of local communities.

In practice, local authorities in conjunction with relevant partners are expected to take forward community planning at both the strategic & local levels. At the pan- Highland level, this process has been undertaken by the Highland Wellbeing Alliance, a strategic multi-agency forum involving the Council, HIE, Highland Health Board, Scottish Homes, SNH, the Northern Constabulary & the Highland Voluntary Sector.

At the local level, Local Rural Partnerships - where they exist - may be positioned to take forward Community Planning given the need to adopt an integrated approach to rural development. Indeed, the Highland Community Plan 2000 document which was formally approved by the Wellbeing Alliance explicitly recognises the potential role of both the Sutherland Partnership & the Caithness Partnership in rolling out Community Planning in their own localities. Both partnerships are members of the North Highland Forum.

Within the LEF area, therefore, the foundations are already in place to enable Community Planning to proceed at the local level. In Sutherland, for example, agreement has already been reached that the Sutherland Partnership will be the conduit through which Community Planning will be delivered given its proven track record of "joined-up working" based on a shared vision for the area. Working closely with the two Local Rural Partnerships, or similar

bodies constituted for the purposes of delivering community planning, it is envisaged that the LEF will have an important role in articulating the economic dimension of the Community Planning process as it is progressively implemented within Sutherland & Caithness respectively.

Afterword:

The underlying intent of the Action plan is to build on the foundations laid by the business community, local councillors and the local enterprise company when they set up the Sutherland Partnership and Caithness Partnership. These Partnerships involve the principal players in the quest for business development.

Working together the participating members can enhance the effectiveness of the efforts of each. Together, they can identify business needs, opportunities and solutions to problems. Together, properly and professionally serviced, they can help to deliver their common goals. They are the embodiment of the public/private co-operation which must be the mainspring for local economic development.