
Report to

**Scrutiny Board 3
Cabinet
Council**

**10 September 2007
11 September 2007
18 September 2007**

Report of the Director of City Development

Simplifying Business Support: A Consultation

1 Purpose of the Report

The Government has published a consultation on proposals to simplify business support and has requested a response by 14 September 2007. The purpose of this report is to review the consultation proposals and seek members' views. The consultation document is attached to this report.

2 Recommendations

2.1 Scrutiny Board 3 are asked to

Consider the report and convey any comments to Cabinet

The Cabinet are asked to:

2.2 Support the key theme in the recommended response, that the vital economic development role of sub regions needs to be more fully reflected in the proposed balance between regional and sub regional business support. The government's Sub National Review of Business Support and Regeneration (July 2007) recommends an increased emphasis on sub regional leadership of economic development.

2.3 Consider and, if appropriate, approve the responses recommended in Appendix 1 to the government's consultation questions on Simplifying Business Support, and

2.4 Authorise officers to submit this response to the consultation by the deadline of 14 September 2007.

The Council is asked to;

2.5 Endorse the action taken.

3 Information/Background

3.1 The problem addressed by the proposals

The consultation identifies that there is a complex system of publicly funded business support at national, regional and local levels and that this presents a complicated and

cluttered picture to businesses. The consultation suggests that a simplified pattern of business support would be more cost effective and easier for businesses to access. It also identifies that government needs to manage and co-ordinate publicly funded business support more effectively.

The consultation recognises that market failures do occur and that sometimes markets themselves cannot achieve social or economic objectives. By addressing market failure and meeting business needs, business support can make a significant contribution to local and regional economic development.

The consultation identifies six business support themes where there is a justification for publicly funded intervention and the aim is that in future publicly funded business support will fit into this six-fold framework. The consultation also places an emphasis on the role of the new regionalised Business Link as the primary route for businesses to get advice and support.

Whilst the consultation invites responses from the private, public and voluntary sectors on 16 questions, there are two core questions for local authorities:

- Are the six business support themes that the government might fund in the future the right ones, and
- How can Business Link (the Regional Development Agency's business support channel) be developed to be the primary route for businesses to access business support?

3.2 City Council business support and the proposed six themes

City Council business support is now focusing on:

- Supporting the growth agenda through investment and business support for key business sectors. This work is undertaken in close collaboration with local and regional partners.
- Developing local workforce skills in collaboration with the regional Learning and Skills Council (LSC).
- Working with individuals and businesses in priority neighbourhoods to encourage business start ups and local employment through the Local Enterprise Growth Initiative (Legi). This work includes encouraging social enterprises.
- Supporting businesses to address environmental management and sustainability issues.

In overview, the six themes are very consistent with current and proposed City Council business support and only two changes to the framework are recommended in Appendix 1. This consistency reflects both:

- the council's approach that focuses on market failure and action to achieve economic benefit for our community, and
- the reality that much of our business support work is externally funded by European and government resources and must therefore be consistent with regional and national policies to gain funding.

In addition to the six themes for publicly funded business support, the consultation also makes proposals for the role of the newly regionalised Business Links. This new role is

described in detail in the next section. As Business Links will not provide business support (they will provide information and undertake assessments of business needs), there is no conflict with the Council's work to support the growth agenda by providing investment and business support for key business sectors. This work helps the city make the very best investment offer to these businesses. This approach also involves working with partners to create unique sector support programmes and to build the reputation of the sub region.

Recent examples of this approach are our medical technology and niche vehicle work and we are exploring environmental technologies as a further key sector. Our work in other key sectors such as retail, public sector relocation, creative and design, professional services and property investment is already well established. The Sub-National Review of Economic Development and Regeneration suggests that enhanced arrangement for the Local Authority Business Growth Initiative (LABGI) may depend much more on the Council demonstrating how it is using LABGI resources.

3.3 The proposed role for Business Link

In April 2007 Business Link underwent its third major reorganisation since its inception in 1995. Previously, the government funded Business Link service was franchised to sub regional agencies and in our sub region it was delivered by Coventry and Warwickshire Chamber. Now the Business Link service is delivered as a regional service and is controlled by AWM.

The consultation paper has high expectations of the new regionalised Business Link services. It proposes that whilst businesses can choose to access business support from wherever they wish, if they don't know where to go they should use and be directed to Business Link. It is also proposed that businesses will access the majority of publicly funded business support through Business Link. It proposes that Business Link outreach and targeting activities should reflect local priorities as determined by local authorities and that Business Link will need to develop strong partnerships at a local level.

In view of the newness of the West Midlands Business Link service it is difficult at this stage to endorse the high expectations of the consultation paper for the role of Business Link and members may be aware that the new service has been criticised in the press.

In Appendix 1 the recommended response to the consultation questions concerning how business support is accessed and how it is managed, suggests the need for more sub regional leadership of business support by local authorities and local partners.

The recent publication of the governments Sub-National Review of Economic Development and Regeneration crucially emphasises the importance of sub regional economic development by recommending that local authorities have an enhanced role in leading economic development. It proposes giving councils more powers and financial incentives for achieving economic growth. The responses to the consultation questions in Appendix 1 emphasise the need to reconsider the consultation proposals on access to business support and business support management in the light of this significant new development.

This response is also consistent with the report Cabinet received on 31 July 2007 on the West Midland Economic Strategy (WMES): Consultation Draft – Phase 4. The recommended response to the WMES emphasised the need to engage AWM on sub regional delivery and links to Local Area Agreements.

4 Proposal and Other Option(s) to be Considered

4.1 The format of the consultation document

The proposals are outlined under four headings and each issue has a related set of questions on which a response is requested. Some of the questions are aimed at the private sector. The headings are:

- Proposals for publicly funded business support
- Accessing business support
- Future management of business support
- Costs and benefits of simplifying business support

The proposals are summarised in the following sections and a suggested response to relevant questions is given in Appendix 1.

4.2 Proposals for publicly funded business support

This section describes the publicly funded business support the government proposes to offer. The proposed framework has six themes and each theme has sub themes. The six themes are

- Starting up
- Access to finance
- Management, recruitment, people development
- Operations and efficiency
- Product development
- Sales and marketing development

The seven consultation questions and the recommended response are described in Appendix 1 section 1. These six themes are very consistent with current and proposed City Council business support.

4.3 Proposals for accessing business support

The consultation proposes that the regional Business Link is the primary access channel for business support, if businesses do not know where to go, and that Business Link will be the route for businesses to access the majority of publicly funded business support. Although the consultation document refers to Business Link outreach and targeting activities reflecting priorities set by local authorities, the picture remains one of centralised control and one at odds with the Sub-National Review of Economic Development and Regeneration as noted earlier.

The two consultation questions and recommended response are described in Appendix 1 section 2

4.4 Proposals for the future management of business support

The consultation proposes a single, cross government oversight of business support, involving a partnership of all key stakeholders. This partnership will set overarching priorities for publicly funded business support and assess the impact of public spending.

It is recognised that appropriate day to day operational management arrangements will need to be in place at the sub national level. The aim will be to manage business support in a way that is responsive to regional and local needs, consistent with the business support framework and national priorities.

The consultation document notes that these management arrangements will need to fit with the conclusions of the Sub – National Review of Economic Development and Regeneration and gives no further details at this stage

The two consultation questions and recommended response are described in Appendix 1 section 3

4.5 The costs and benefits of simplifying business support

The consultation document identifies a range of costs and benefits arising from the proposed business simplification programme. These are estimates based upon initial cost savings achieved by the DTI simplification programme. The majority of these savings were identified 'as cashable increased economic impact', with a smaller amount of delivery cost savings.

The four consultation questions and recommended response are described in Appendix 1 section 4.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value		√
Children and Young People		√
Comparable Benchmark Data		√
Corporate Parenting		√
Coventry Community Plan	√	
Crime and Disorder		√
Equal Opportunities	√	
Finance		√
Health and Safety		√
Human Resources		√
Human Rights Act		√
Impact on Partner Organisations		√
Information and Communications Technology		√
Legal Implications		√
Neighbourhood Management		√

	Implications (See below)	No Implications
Property Implications		√
Race Equality Scheme		√
Risk Management		√
Sustainable Development		√
Trade Union Consultation		√
Voluntary Sector – The Coventry Compact		√

5.2 Coventry Community Plan

Our response to the consultation emphasises the importance of sub regional economic development and Local and Multi Area Agreements, issues of direct interest to Local Strategic Partnerships.

5.3 Equal Opportunities

A key element of the Council's business support work concerns enterprise and employment opportunities for priority neighbourhoods and excluded groups.

6 Monitoring

6.1 The consultation document describes the next steps as follows:

Responses to this consultation document will inform government decisions on business support. The Comprehensive Spending Review later this year will take decisions on government funding up to the 2010/11 financial year. In particular, the Review will take strategic decisions on the business support to be provided in the future, the way customers access business support, and arrangements for co-ordinating and managing future support.

Responses will also inform the design of the proposed business support outlined here and the work the programme is taking forward on how business support is delivered.

As these actions are progressed they will be reflected in appropriate Operational Plans.

7 Timescale and expected outcomes

7.1 A response to the consultation is requested by 14 September 2007.

	Yes	No
Key Decision		√
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	√ Scrutiny Board 3 10 September 2007	
Council Consideration (if yes, date of Council meeting)	√ 18 September 2007	

List of background papers

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Papers open to Public Inspection

Description of paper

Location

Appendix 1

Coventry City Council's response to the consultation on: Simplifying Business Support : A Consultation

1. Proposals for publicly funded business support

Q1 Do you think the business support outlined in Figure 2 and at Annex A adequately covers the key needs of business and helps achieve public policy aims outlined in this document? More information is available on our website.

Response. The proposed six themes are helpful. There are two additional sub themes that we would recommend are included, these are:

- An additional sub theme under start up. Specifically, the five proposed areas of intervention under the Business Start Up heading, all assume engagement with deprived communities and excluded groups will be a straightforward process. Our experience in delivering start up support as part of regeneration programmes (LEGI in particular but also initiatives supported by the Neighbourhood Renewal Fund, the Regional Development Agency and the European Union), tells us that is not the case and earlier interventions are required to maximised the success of more formal assistance.

We consider that there is a need to raise awareness of, and generate interest in, the concept of enterprise. In other words, the implications of a weak enterprise culture need to be tackled. This is a necessary pre-requisite to the types of support proposed under the sub-headings 'Preparing for self-employment' and 'Tacking barriers to self-employment' in particular. Proposals such as these are unlikely to be fully successful unless there is an engagement process beforehand – acting like a form of 'header tank' to provide a flow of suitable individuals to more formal support. We propose, therefore, a sixth sub theme 'Enterprise Engagement' that focuses upon activities in advance of the formal business support described under the other five sub themes. Activities under this additional heading would include working in communities to give a strong message about enterprise and employment; working with individuals with the aim of moving them along routes to enterprise, employment or other outcomes; and brokering in a wide range of barrier breaking support to individuals.

- An additional sub theme under Sales and Marketing Development. The sub themes under this heading omit domestic business marketing, presumably because it is not seen as adding value to the national economy. However, domestic marketing can reduce import substitution in strategic business sectors. Domestic marketing support may also be appropriate to support businesses in disadvantage communities or excluded client groups.

Q2 Where do you see duplication in publicly-funded business support?

Response. In the Coventry and Warwickshire sub region business support partners, including the universities, the Chamber of Commerce, local authorities and voluntary sector agencies, have worked closely over a number of years to co-ordinate their strategy, jointly develop programmes and effectively manage service delivery. The most recent example of this partnership approach has been the successful, innovative joint development and

delivery of the Local Enterprise Growth Initiative. We believe that this sub regional approach is a model of best practice and a strong safeguard against the duplication of publicly funded business support. These arrangements can be formalised in Local and Multi Area Agreements.

Regional agencies need to work with sub regions to further reduce the risk of duplication.

Q3 Where do you feel support is adequately provided by the private sector, thereby reducing the need for public sector support?

Response. The proposed business support framework and its six themes identify areas of market failure and the implication is that other areas are well served by the private sector. The City Council endorses the framework and the implication that other areas are adequately served by the private sector. Private sector respondents will be best placed to make contributions to this question.

Q4 What publicly-funded business support do you regard as being of the highest priority?

Response. Each of the six themes proposed in the consultation have strong merits and will be given different levels of priority depending on the role of the publicly funded business support agency. For example the Higher and Further Education sectors will have a strong interest in Product Development and its associated technologies. The City Council, as a local authority, has prioritised the following areas of business support:

- Supporting the investment, growth and competitiveness agenda through investment and business support for key business sectors. This work is undertaken in close collaboration with local and regional partners.
- Developing local workforce skills in collaboration with the regional Learning and Skills Council (LSC).
- Supporting business start ups, of all types, in priority neighbourhoods and for members of excluded groups. A vital aspect of this work is support for social enterprises which is important in our sub region.
- Working with employers to promote the recruitment of people from priority neighbourhoods and excluded groups.
- Supporting businesses to address environmental management issues and tackle climate change.

Q5 Do the business support themes make it easier for you to know what publicly-funded support is available to meet the needs of your business? Are they the right themes?

Response. A question aimed at the business community

Q6 To what extent will reducing the amount of branded business support make it easier to know what is available to meet the needs of your business?

Response. A question aimed at the business community

Q7 How can the delivery of business support be better arranged to minimise customer confusion and achieve economies of scale?

Response. There is a tension between delivering services that are locally co-ordinated and respond to local needs and the achievement of economies of scale. The consultation proposals place the emphasis too much on regional access to business support services and management by a regional agency. The consultation proposals do not take on board the emphasis of the Sub-National Review of Economic Development and Regeneration on the economic importance of sub regions and the role of local authorities working with local strategic partnerships and local area agreements. The proposals need to be reconsidered in the light of the Sub-National Review of Economic Development and Regeneration.

Through the 4th Block of the Local Area Agreement, Economy and Environment, a mechanism exists to exercise local control of business support and business start up/enterprise activity. The LAA Board will bring together the key public sector funders and providers, including the Chamber, Council and AWM/Business Link, together with direct representation from business and the local community. Such a group is much better placed to commission and deliver an integrated approach to business support. To tackle issues of developing an enterprise culture in deprived communities and overcoming issues of communities feeling excluded from business support services a local approach is likely to be more effective and targeted on addressing real needs. The review at present does not recognise the need to work in this way.

2. Proposals for accessing business support

Q8 How can Business Link be further developed to meet business and government needs consistent with this policy?

Response. The question presumes agreement to the proposed role for Business Link and the small role for local authorities and sub regional partners as influencers of the targeting of Business Link delivery. Whilst we recognise that a standardised, regional business support service will have a place, especially as a gateway for those who do not know where to look, we believe from our experience that there needs to be sub regional access points and services customised to sub regional needs.

The proposals place too great an emphasis on an as yet unproven regional approach to business support access and management. Whilst regional Business Links will be an important service access point, the proposal in the consultation that they should be the primary route for businesses to access publicly funded business support risk being unwieldy and unnecessarily restrictive.

Sub regional local authorities and partners are best placed to ensure customised service development and co-ordinated service delivery. The balance of influence over business support services in the proposal needs to shift to recognise the economic role of sub regions and their ability to effectively manage their business support strategy through Local and Multi Area Agreements. Again the consultation proposals need to be reconsidered in the light of the recommendations of the Sub-National Review of Economic Development and Regeneration.

Q9 How can business support services make best use of Business Link as the primary access channel for business?

Response. Please see response to question 8

3. Proposals for the future management of business support

Q10 Do you agree with the proposed role of the strategic oversight of business support?

Response. In principle yes, but this needs to be developed in the light of the recommendations of the Sub – National Review of Economic Development and Regeneration. Local Authorities and sub regions have an important role to play in the future oversight of publicly funded business support.

Q11 Is there another option that you think we should consider and how would you justify it?

Response. Please see our response to question 10

4. The costs and benefits of simplifying business support

Q12 If you have experience of using publicly-funded business support, what were the costs to you of finding out what was available to meet your needs?

Q13 How much do you think our proposals could reduce your costs in looking for and understanding publicly-funded business support?

Response to both questions. Questions aimed at the business community

Q14 How far do you agree with our initial estimates of the benefits and costs of simplifying publicly-funded business support?

Response. The estimates are based on a number of assumptions and extrapolation. There is insufficient information to comment further.

Q15 Are there other benefits or costs to the proposals? For example, what other costs and benefits are there for the private sector, the third sector and for public, private and third sector providers of business support?

Response. The City Council remains concerned that the proposals emphasise a regional response to business support access and management and that their regional economies of scale will be won at a cost to the relevance and integration of services offered to businesses. Careful prioritisation, targeting and customisation that is strongly linked to sub regional needs and strategies, although potentially having a higher unit cost, will ultimately produce more significant benefits.

The Coventry and Warwickshire sub region has a strong reputation for the development, funding and management of strategic business support initiatives. These range from programmes championing business sectors that will support growth and wealth creation to highly innovative approaches to enterprise and employment in priority neighbourhoods.



Simplifying Business
Support: A Consultation

June 2007

Why is DTI conducting this consultation?

We estimate that there are over 3000 publicly-funded business support schemes available in England. Business tells us they are confused by this array of schemes, which can put them off seeking support. To address this problem we want to simplify business support in England to no more than 100 schemes by 2010 and ensure publicly-funded business support is:

- Simple for business to understand and access;
- Good value for money; and has
- Impact on economic and other public policy goals.

This consultation seeks views on how the public sector should support business in the future and meets the commitment to consult made in the Budget 2007.

The consultation is aimed at:

- Business (including social enterprises) and their representatives;
- Local authorities and other public-sector organisations involved in business support (for example universities); and
- Private, public and third sector organisations that are contracted to provide publicly-funded support to business.

This document:

- Outlines and seeks views on the business support government might fund in future;
- Sets out the policy of using Business Link as the primary route for business to get advice and support and seeks views on how Business Link can be developed to play this role; and
- Seeks views on how to avoid business support schemes proliferating again once they have been simplified.

Issued on: 22 June 2007

Respond by: 14 September 2007

Respond to: email: SimplifyingBusinessSupport@dti.gov.uk

Enquiries to: Barrie Stevenson/Khalid Khan
Business Support Simplification Team
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London SW1H 0ET
Tel: 020 7215 0319/5962

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HOW TO RESPOND

Responses to this consultation, including supporting evidence, must be received by Friday 14 September 2007.

Please send responses by email to: SimplifyingBusinessSupport@dti.gov.uk.

If you are not able to reply by email, a response can be submitted by letter to:

Barrie Stevenson/Khalid Khan
Business Support Simplification Team
Department of Trade and Industry
Bay 194
1 Victoria Street
London SW1H 0ET

When responding please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

Confidentiality and Data Protection

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.

In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

Who and how we are consulting

A list of those organisations and individuals consulted is at Annex C. We welcome suggestions of others who you think we should consult.

We are planning a series of consultation events: information on these is available at <http://www.dti.gov.uk/bbf/small-business/streamlining-government/bssp/page38586.html>.

We intend to publish a summary of responses within three months of this consultation closing, in accordance with the Code of Practice on consultation. This will be posted at: <http://www.dti.gov.uk/bbf/small-business/streamlining-government/bssp/page38586.html>.

LIST OF CONSULTATION QUESTIONS

We welcome views on the following questions:

On the business support government should be funding:

- Q1 Do you think the business support outlined in Figure 2 and at Annex A adequately covers the key needs of business and helps achieve public policy aims outlined in this document?
- Q2 Where do you see duplication in publicly-funded business support?
- Q3 Where do you feel support is adequately provided by the private sector, thereby reducing the need for public sector support?
- Q4 What publicly-funded business support do you regard as being of the highest priority?
- Q5 Do the business support themes make it easier for you to know what publicly-funded support is available to meet the needs of your business? Are they the right themes?
- Q6 To what extent will reducing the amount of branded business support make it easier to know what is available to meet the needs of your business?
- Q7 How can the delivery of business support be better arranged to minimise customer confusion and achieve economies of scale?

On the route for business to reach publicly-funded support:

- Q8 How can Business Link be further developed to meet business and government needs consistent with this policy?
- Q9 How can business support services make best use of Business Link as the primary access channel for business?

On the way to keep business support simple in future:

- Q10 Do you agree with the proposed strategic oversight of business support?
- Q11 Is there another option that you think we should consider and how would you justify it?

On the costs and benefits of simplifying business support:

- Q12 If you have experience of using publicly-funded business support, what were the costs to you of finding out what was available to meet your needs?
- Q13 How much do you think our proposals could reduce your costs in looking for and understanding publicly-funded business support?

- Q14 How far do you agree with our initial estimates of the benefits and costs of simplifying publicly-funded business support?
- Q15 Are there other benefits or costs to the proposals? For example, what other costs and benefits are there for the private sector, the third sector and for public, private and third sector providers of business support?

On the proposals as a whole:

- Q16 How far will our proposals make it simpler for business to know what publicly-funded business support is available and how to access it?

1. INTRODUCTION

The problem: a complex system of business support

- 1.1. Many public sector organisations fund or provide help to business in many different ways and we estimate that there are over 3000 different support schemes in England. Similar services are often delivered by different public bodies who are unaware of each other's services. This situation has grown over several decades.
- 1.2. The thousands of support schemes on offer and the duplication of business support locally, regionally and nationally presents a very complicated and cluttered picture to business. The majority of business support schemes have their own brand or logo, a website, marketing materials and campaigns competing for similar audiences. Many businesses tell us they are confused by this array of publicly-funded business support. They don't know where to go for help and this can be a barrier to them seeking support¹.
- 1.3. In addition a considerable industry has grown around the delivery of publicly-funded support and it has become a large and overcrowded market, with many suppliers (both private sector and publicly-funded) competing for market share. Publicly-funded contracts can create the wrong incentives for suppliers of business support, encouraging them to spend public money advertising their product or service, presenting businesses with many different places to go for support. This means less money is spent on actually helping business.
- 1.4. Such contracts can also mean government is not buying business support services in the most efficient way. If different parts of government enter into separate contracts with different suppliers for the delivery of the same or similar services, the end result is likely to be confusing for the customer.
- 1.5. Finally, publicly-funded business support is not managed and co-ordinated as a whole by government. This means there is a limited overview of the support government as a whole offers to business, allowing duplication to occur. Although individual organisations assess the effectiveness of their support there is no overarching national assessment of the impact of support on the economy.

¹ Annual Small Business Survey 2005; section 8.5, page 176. See: <http://www.dti.gov.uk/files/file38247.pdf>

What is business support?

- 1.6. Business support is one of the many ways in which government interacts with business. In the context of this consultation, business support means direct (rather than tax-based) support to a business or group of businesses or to people starting or considering starting a business. Examples of business support include: free or subsidised advice, grants, reduced-interest loans, training and help with finding workspace.
- 1.7. The main aim of support can be to help entrepreneurs or businesses. Alternatively, the support may aim to achieve broader economic, environmental, social or cultural goals, but will significantly help one or more businesses while doing so.

Why government provides support to business

- 1.8. We want business to succeed for the benefit of everyone in the UK and we want individuals to succeed by acquiring new skills and reaching their potential through fulfilling employment or by building their own business. We also want to help people and business respond to changing circumstances – be they economic, environmental or cultural.
- 1.9. Markets, left to themselves, will generally produce the right results: new products, cheaper services, rising living standards and full employment. But market failures do occur - sometimes markets themselves cannot achieve social or economic objectives.
- 1.10. Market failures can exist locally, regionally and nationally - providing effective, targeted business support is one way of addressing them. By addressing market failure and meeting business needs, business support can make a significant contribution to local and regional economic development, as well as helping to meet other public policy goals.

How we propose to simplify publicly-funded business support

- 1.11. Evidence shows that businesses that use professional support are more likely to be successful and grow². By providing support that better meets business need and making it simple to understand and access, we hope to increase the take-up and impact of the support on offer.

² See for example, Business Link Value for Money Evaluation (PACEC 1998) and The Impact of Business Support on Assisted Businesses (SBS 2001).

1.12. Effective publicly-funded business support should be:

- Easy for the customer to access;
- Appropriate for its target customer and location;
- Supported by a good 'business case'; and
- Based on a sound rationale for government action i.e. it should address a market failure and/or achieve a social justice aim and/or protect the environment.

1.13 Publicly-funded business support should not:

- Duplicate other publicly-funded support;
- Distort the market;
- Compete with private sector business support; or
- Cushion business from change or maintain jobs without economic rationale.

1.14. Additionally, we propose that publicly-funded business support should be co-ordinated and managed collaboratively by central and local government and the Regional Development Agencies.

What are we consulting on?

1.15. This consultation builds on our introductory document 'Simplifying Business Support' <http://www.dti.gov.uk/files/file38859.pdf>.

1.16. We are seeking views on:

- The business support government might fund in future. This reflects both what business says it needs from government and where government has identified a need to intervene;
- How Business Link can be developed to be the primary route for business to get advice and support; and
- How to avoid business support schemes proliferating again once they have been simplified.

Who are we consulting?

1.17. We are consulting both the customers of publicly-funded business support and the organisations that fund and deliver it:

- Business (including social enterprises);
- Entrepreneurs and people who might start businesses;
- Trade associations and other representative bodies;

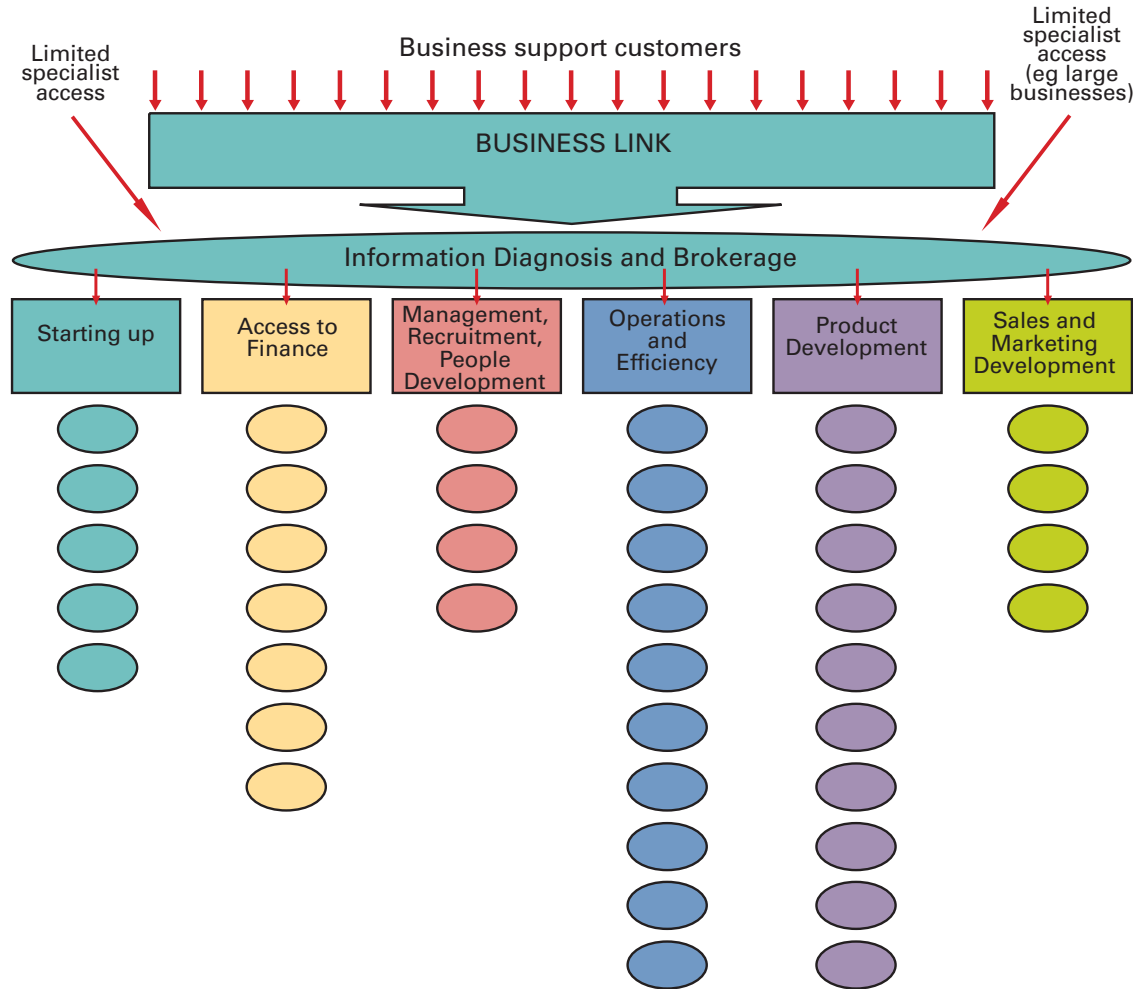
- Organisations that deliver publicly-funded business support (whether private, public or third sector);
- Local authorities; and
- Other private, public and third sector organisations involved in supporting business.

What happens next?

- 1.18. Responses to this consultation document will inform government decisions on business support. The Comprehensive Spending Review later this year will take decisions on government funding up to the 2010/11 financial year. In particular, the Review will take strategic decisions on the business support to be provided in the future, the way customers access business support, and arrangements for co-ordinating and managing future support.
- 1.19. Responses will also inform the design of the proposed business support outlined here and the work the programme is taking forward on how business support is delivered.

2. THE MODEL FOR SIMPLIFIED BUSINESS SUPPORT

Figure 1 below illustrates how customers will experience business support. Each step is explained in more detail in the sections that follow.



Business Link is the primary access route for business seeking publicly-funded business support - see Section 4 for our proposals and consultation questions on Business Link.

Business will see themes relating to business needs or processes so that it is easy for them to know what publicly-funded support is available to them – see Figure 2 and Section 3 for details.

A consistent set of publicly-funded business support will be available under these themes. See Figure 2, Section 3 and Annex A for details of the business support we are consulting on. More detail is available on our website at <http://www.dti.gov.uk/bbf/small-business/streamlining-government/bssp/page38586.html>.

Figure 2 Proposed business support

Starting up	Access to finance	Management, recruitment, people development	Operations and efficiency	Product development	Sales and marketing development
Business creation Local community business advisers Preparing for self-employment Tackling barriers to self-employment Support networks	Financial awareness and capability Debt finance Risk capital Export credit guarantee Support networks Innovation finance Capital investment grants	Skills brokerage Skills solutions Incentives to employ Support networks	Shared support environments Business technology and best practice hubs Incentives to employ Tackling barriers to self-employment Protecting the natural environment Resource efficiency and sustainable waste management Business expertise Preparing to go international Support networks Capital investment grants	Connection with knowledge institutions Innovation collaborations Innovation guidance and advice Innovation finance Shared support environments Business Technology and best practice hubs Business expertise Growing internationally Getting into new overseas markets Preparing to go international	Getting into new overseas markets Growing internationally Export credit guarantee Preparing to go international

3. PROPOSALS FOR PUBLICLY-FUNDED BUSINESS SUPPORT

This section describes the business support that government proposes to offer and how it is being designed. Your views will influence the design process.

Designing a framework

- 3.1. In order to determine what business support should be provided we considered what government wants to achieve in policy terms and what business says it needs from government. Our assessment was informed by advice from business, business forums and customer surveys such as the DTI/Small Business Service Annual Survey of Small Business. The design work has also involved a wide cross section of business representatives and partner organisations, some of whom are listed at Annex C.
- 3.2. We propose that business support should be organised in themes that reflect business need and processes. An illustration of possible themes and the business support we have designed is shown in Figure 2 - note that some types of support sit under more than one theme because they are relevant to businesses with different needs.
- 3.3. We have developed these themes based on key business activities, to organise the support government offers in a way that makes sense to the customer. We invite views on whether the themes do reflect business needs.
- 3.4. Our aim is that all publicly-funded business support will fit into this framework in future. We know from preliminary consultation³ on the design that some consultees have identified gaps in the support that they feel we need to fill. This formal consultation will further inform the design process.
- 3.5. We are also aware that duplication exists within the business support listed here and the next stage of our design process will reduce this. We invite views on where you see duplication and where you feel support is adequately provided by the private sector, thereby reducing the need for public sector support.
- 3.6. More information on the business support we are consulting on is available in Annex A and one-page summaries are available on our website at <http://www.dti.gov.uk/bbf/small-business/streamlining-government/bssp/page38586.html>. You may wish to consider the detail when you respond to the consultation.

³ RDAs, Government Offices and some local authorities have been involved in a survey of over 500 existing business support schemes to inform the design work.

Meeting the needs of different people and businesses

- 3.7. We have designed generic business support allowing opportunity for some tailoring to meet the needs of particular entrepreneurs, business sectors, regions and localities. At this stage in the design process we do not have details of the eligibility criteria for each type of support.
- 3.8. However, in some cases support will only be available for business where it will have the greatest economic, social or environmental impact. Support with broad eligibility criteria might be pro-actively targeted through marketing, or given more intensively to business in priority areas highlighted in Regional Economic Strategies. Also, it may be targeted to help achieve government's aims of growing the number of women and ethnic minority led businesses in the UK and encouraging social enterprise.

Making it easy to know what's on offer

- 3.9. Creating new brands and identities for publicly-funded business support is costly and can result in increased confusion for the customer. We want to make it easy for business to know what is on offer by using plain English descriptors for publicly-funded business support offers, so people know from the name what is on offer.

How will business support be delivered to the customer?

- 3.10. Much of the support that already exists is captured by this framework, but changes will need to be made to how business support is accessed, delivered, branded, monitored and evaluated in order to remove complexity.
- 3.11. Better co-ordination of business support will provide scope for co-investment to reduce confusion for business arising from multiple structures. This will also enable savings in overheads, so that more money is spent on supporting business. Government seeks to improve its procurement of goods and services through shared contracting – the new framework will enable a similar approach to be taken for business support.
- 3.12. It is expected that a variety of delivery arrangements will still be required at different levels of government and organisations delivering business support will be required to meet guidelines to ensure support is delivered according to the framework.

3.13. The new arrangements for delivery will include guidelines on how delivery organisations should market and brand business support and how funding bodies can get recognition for their work, without contributing to customer confusion. Our intention in setting these guidelines is to reduce the number of brands that are visible to the customer.

Questions for consultation

Q1 Do you think the business support outlined in Figure 2 and at Annex A adequately covers the key needs of business and helps achieve public policy aims outlined in this document? More information is available on our website.

Q2 Where do you see duplication in publicly-funded business support?

Q3 Where do you feel support is adequately provided by the private sector, thereby reducing the need for public sector support?

Q4 What publicly-funded business support do you regard as being of the highest priority?

Q5 Do the business support themes make it easier for you to know what publicly-funded support is available to meet the needs of your business? Are they the right themes?

Q6 To what extent will reducing the amount of branded business support make it easier to know what is available to meet the needs of your business?

Q7 How can the delivery of business support be better arranged to minimise customer confusion and achieve economies of scale?

4. ACCESSING BUSINESS SUPPORT

This section describes the role of Business Link in providing access to publicly-funded business support and seeks views on how Business Link can be developed to play this role for a diverse range of businesses.

Providing clear, easy access to support

- 4.1. Providing easy access to business support is one of the main ways we can improve the customer experience and the take-up of support on offer from both the public and private sectors.
- 4.2. Government policy is that Business Link will be the primary way to access publicly-funded business support. Business Link provides businesses with a comprehensive and impartial service. It is widely-recognised by small businesses and has high customer satisfaction ratings.⁴ Business Link has changed over the last two years – see Annex B for an explanation of the Business Link service.
- 4.3. Historically, the way that government has sought to reach different and priority audiences with business support has been to create bespoke services - setting up new access channels, dedicated advice lines, individual marketing programmes etc. In the future, Business Link will work proactively with partners to ensure it reaches a wider range of audiences including women entrepreneurs, black and ethnic minority businesses and social enterprises.
- 4.4. If all business support was accessible by making one call to Business Link, or by logging on to the www.businesslink.gov.uk website, business would find it much easier to use the full range of business support services.

What we mean by Business Link as a primary access channel

- 4.5. Business Link as the primary access channel for support means that businesses can choose to access business support from wherever they wish but, if they don't know where to go, they should use and be directed to Business Link. In addition:
 - Businesses should be confident that they will receive impartial advice and brokerage from Business Link;

⁴The Business Link brand name is recognised by 80% of small businesses in England and www.businesslink.gov.uk is now the most visited small business website in the UK. The latest customer satisfaction surveys show that 91% of customers assisted by Business Link are satisfied and 96% would be willing to recommend it to others.

- Business Link will be the route through which business and those individuals thinking of starting a business will access the majority of publicly-funded business support;
- Business Link outreach and targeting activities should reflect local priorities, as determined by local authorities;
- The support provided can be customised to suit specialist needs;
- Business Link will provide the initial diagnostic service, provide information to meet general business requests and signpost or refer businesses for more in depth or specialist support when required.

How Business Link needs to develop

- 4.6. Regional Development Agencies are committed to continuing to improve Business Link to ensure it offers a comprehensive service that meets the requirements of all business sectors and types and those working in different communities. They will need to ensure that they consult widely on how the Business Link service should operate and develop, particularly including the views of customers, sub-national partners, local authorities and central government departments.
- 4.7. Business Link will need to develop stronger partnerships at a local level in order to be confident of reaching all sectors and communities. To this end, we want to make sure best practice working between regional and local bodies on business support is replicated across the country.

Questions for consultation:

Q8 How can Business Link be further developed to meet business and government needs consistent with this policy?

Q9 How can business support services make best use of Business Link as the primary access channel for business?

5. FUTURE MANAGEMENT OF BUSINESS SUPPORT

Once we have simplified business support, it is important that it stays that way. This section seeks your views on how we want to achieve this.

- 5.1. We want to create oversight to ensure business support continues to meet business needs and public policy objectives, and does not proliferate again. We are proposing this would come from:
- Strategic oversight of the business support described in section 3 and Annex A; and
 - Sub-national operational management of business support.

Strategic oversight across government

- 5.2. The role of strategic oversight will be to:
- proactively influence the direction of business support across government;
 - manage and regularly review business support to check it meets changing economic and policy needs, and accommodates innovative approaches;
 - gain better value for money by measuring the impact of business support and enabling collaboration in procurement; and
 - deter the creation of new business support that would lead to proliferation.
- 5.3. We propose that in future there will be single, cross-government oversight of business support, involving a partnership of representatives from all key stakeholders. These representatives would include major central government funding departments, Regional Development Agencies and local authorities. Within this partnership, there will need to be devolution of day-to-day operational management responsibility to sub-national level.
- 5.4. This partnership will set overarching priorities for publicly-funded business support, and assess the impact of public spending. Acting collaboratively, it will manage the creation of new forms of business support where there is a compelling market failure or policy reason to do so.
- 5.5. Independent support and challenge will provide an objective external perspective, address conflicts, and help future planning. Independent business people would provide advice and challenge to government on priorities and what business support interventions are most effective.

Sub-national management of business support

- 5.6. Government will need to ensure that appropriate day-to-day operational management arrangements are in place at the sub-national level. The aim is to manage business support in a way that is responsive to regional and local needs, consistent with the business support framework described in this document, and national priorities. The design of strategic management described above and the sub-national management arrangements will need to fit with the conclusions of the Sub-National Review of Economic Development and Regeneration.⁵

Portfolio and performance management

- 5.7. We propose that business support in the future will be managed as a cross-government portfolio, composed of the support described in Section 3 and at Annex A. Each product will have its own set of key success factors, and an exit strategy for when it has fulfilled its purpose and is no longer required.
- 5.8. It will be possible to compare the performance of individual business support products to inform decisions about how public money is spent. This will require a consistent approach to monitoring, analysis and evaluation to collect and report performance information on the portfolio.

Consultation questions

Q10 Do you agree with the proposed role of the strategic oversight of business support?

Q11 Is there another option that you think we should consider and how would you justify it?

⁵The Sub-National Review of Economic Development and Regeneration: http://www.hm-treasury.gov.uk/media/63A/96/csr07_subnatecon_tor.pdf . It will identify how to further release economic potential of English regions and will inform the Comprehensive Spending Review 2007

6. COSTS AND BENEFITS OF SIMPLIFYING BUSINESS SUPPORT

Summary cost and benefits

6.1. To the public sector:

- Benefits – about £80 million per annum over 3 years, totalling £240 million;
- Costs – estimated at £5 million for July 2006 to December 2009.

6.2. To business:

- Benefits – reduced search and administration costs for business support of between £20 million and £40 million per annum; improved quality and targeting of support;
- Costs – not expected to create any new costs for business.

6.3. To the third sector:

- Benefits – some benefits for social enterprises, similar to the benefits for business;
- Costs – not expected to create any new costs for the voluntary sector. Not expected to have any significant benefits or costs for charities.

Detailed costs and benefits

6.4. Section 1 sets out the problems associated with publicly-funded business support. Many businesses are confused by the range of publicly-funded schemes and the routes to access them. There is also no overall co-ordination of support and monitoring and evaluation of the support is not consistent.

6.5. In order to address this, we have set out proposals for:

- A clearly presented framework for publicly-funded business support based on a sound rationale for action;
- Business Link to act as the primary route to access business support; and
- Publicly-funded business support managed as a portfolio with joint management and consistent monitoring and evaluation.

Benefits to the public sector

- 6.6. The overall spend across government on business support is estimated at £2.5 billion .
- 6.7. We expect significant benefits to the public sector from simplifying business support:
- The review of publicly-funded schemes should help focus on high-impact schemes providing better value per pound spent on business support;
 - Cost savings will be achieved from reduced overheads and fewer access channels, which should mean lower setting up costs and less spent on marketing.
- 6.8. The DTI simplification programme resulted in cost savings of £40 million over three years, comprising of a £3 million per annum saving on delivery costs and £10 million per annum as cashable increased economic impact. Scaling that up across government's total spending suggests a saving of £80 million per annum should be secured for each of the three years totalling £240 million. Preliminary evidence suggests that the impact of the DTI simplification programme may be almost three times as high as originally estimated. This suggests the benefits of simplifying business support across government may be significantly higher.

Benefits to business and the third sector

- 6.9. Positioning Business Link as the primary access route to business support and providing fewer, clearly defined schemes will benefit business and social enterprises. Business should benefit from savings in the costs of searching for schemes and the administration of schemes of between £20 million and £40 million per annum, based on 3.3 million applications per annum.
- 6.10. Qualitative benefits are also expected, in particular:
- Better-focused, higher-impact business support that better meets business need;
 - Positioning Business Link as the primary access channel should help businesses receive a comprehensive assessment of their needs and a better overall package of support;
 - Making business support easier to access and use should increase take-up. Research shows businesses receiving advice and support are more likely to succeed and grow than those who don't – so it is expected some businesses and social enterprises will benefit from this.

Costs to the public sector

- 6.11. There will be some costs to the public sector as we implement the change. However, these would be substantially outweighed by the benefits.
- 6.12. Our initial estimates of staff and communications costs for the change programme are about £3 million for July 2006 to December 2007 and about £1 million per annum in 2008 and 2009. This estimate was made in June 2006. These costs are not expected to represent extra staff, but the time/opportunity costs of staff implementing the change programme.

Costs to business and the voluntary sector

- 6.13. It is not expected that there would be significant new costs for business or the voluntary sector.

Impact on small firms

- 6.14. The proposals should have a positive impact on small firms seeking publicly-funded business support. In particular, it should reduce their costs in seeking support. Small firms should also benefit from clearer communication and simplified access routes.

Consultation questions:

Q12 If you have experience of using publicly-funded business support, what were the costs to you of finding out what was available to meet your needs?

Q13 How much do you think our proposals could reduce your costs in looking for and understanding publicly-funded business support?

Q14 How far do you agree with our initial estimates of the benefits and costs of simplifying publicly-funded business support?

Q15 Are there other benefits or costs to the proposals? For example, what other costs and benefits are there for the private sector, the third sector and for public, private and third sector providers of business support?

Annex A: Table showing proposed business support

Business themes	The offer	What is it?	What does it provide? Click here to open link
Access to finance	Financial awareness & capability	Help to secure private sector funding.	Providing current and prospective entrepreneurs with investment readiness advice.
Access to finance	Debt finance	Loan finance for young businesses.	Providing: <ul style="list-style-type: none"> • debt finance at an appropriate, risk-priced interest rate which reflects the nature of the borrowing enterprises – via government underwriting loans from banks and other financial institutions; • business advice services alongside the loan to reduce the prospect of default.
Access to finance	Risk capital	Equity financing for high-growth businesses.	Enables establishment of commercially viable equity funds by investing a combination of private and public money in small high-growth businesses that are seeking up to £2 million in equity finance.
Access to finance Sales and marketing development	Export credit guarantee	Helping business manage non-payment risks in overseas transactions.	UK government backed guarantees, via the Export Credit Guarantees Department (ECGD), for payment on overseas contracts for major capital goods and large-scale projects.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Access to finance	Capital investment grants	Help to support capital investment projects either by SMEs or by companies operating in the assisted areas. Click here to open link	<ul style="list-style-type: none"> • Grants to address some of the market failures that limit the development of SMEs. Specifically, grants to offset the difficulty that SMEs have obtaining capital given the risk-averse nature of certain financial markets and the limited collateral that they may be able to offer. • Aid to assist the development of the most disadvantaged regions in England by supporting sustainable investment and job creation, promoting the expansion, rationalisation, modernisation and diversification of economic activities of businesses located in the Assisted Areas, in particular by encouraging firms to set up new establishments there.
All themes	Support networks	Helping businesses to work together to exploit market opportunities.	<p>Collaboration and networking services and facilities for groupings of businesses at the national, regional or local levels to:</p> <ul style="list-style-type: none"> • exploit market opportunities or meet shared challenges; • improve the performance of businesses and of the wider sector, supply chain or network; • increase the rate of exchange of knowledge, expertise, and best practice.
Management, Recruitment, People Development	Skills brokerage	Help businesses define their skills needs and identify solutions.	Brokerage service to help businesses identify and source all levels of skills development solutions for their workforce to ensure continued and improved business success.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Management, Recruitment, People Development	Skills solutions	Help to improve employee skills.	Funding for learning, either nationally, regionally or locally, to support training to improve the skills of people in the workplace, and to help businesses become more sustainable or to innovate and grow. Includes support for: <ul style="list-style-type: none"> • improving basic employability skills; • technical skills; • higher level advanced skills, and ; • management and leadership of the business.
Management, recruitment, people development. Operations and efficiency	Incentives to employ the economically excluded	Helping business manage the risk of employing economically excluded communities and groups.	Focusing on hard to reach groups and communities and working with Jobcentre Plus and Business Link, this will include: <ul style="list-style-type: none"> • Providing mental or physical health support in the workplace; • Adaptation of premises for the physically disabled; • Help with security vetting prior to employment.
Operations and efficiency Product development	Shared support environments	Shared premises and support facilities in which businesses develop and grow.	Providing: <ul style="list-style-type: none"> • shared facilities and support services at competitive rates; • access to facilities where a business can innovate; • exchange knowledge, and receive support and guidance.
Operations and efficiency Product development	Business technology and best practice hubs	Helping businesses work together to commercially exploit new knowledge.	Providing shared facilities and services designed explicitly to enable businesses to share, test and exploit new knowledge and technological developments, and to share best practice amongst groups of new and established businesses.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Operations and efficiency	Protecting the natural environment	Help and incentives to achieve a healthy and resilient natural environment.	Information, advice, grants, funding and loans to encourage businesses to adopt less environmentally damaging practices and solutions – including: <ul style="list-style-type: none"> • Environmental audits; • Assistance in building markets for eco-friendly products and services; • Developing biodiversity friendly corporate strategies.
Operations and efficiency	Promoting resource efficiency and sustainable waste management	Help and incentives to create a low carbon economy and tackle climate change.	Information, advice, grants, funding and loans to encourage resource (heat and power, water and raw materials) and energy efficiency (including low carbon) practices and technologies and more sustainable waste management – including: <ul style="list-style-type: none"> • Energy/resource efficiency audits; • Investment in technologies and practices that encourage energy and resource efficiency; • Assistance to help the take-up of environmental standards (i.e. ISO 14001) and improve energy management.
Operations and efficiency Product development Sales and Marketing development	Business expertise	Help to get expert advice.	Fully or part-funded quality assured business expertise: <ul style="list-style-type: none"> • Technical/Specialist expertise addressing specific issues within an individual business; • Generic business expertise from an expert with successful track record in running a small firm.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Product development	Connection with knowledge institutions	Help to develop links with the science and research base.	<ul style="list-style-type: none"> • Support for hosting and arranging events, seminars and exhibitions where businesses and knowledge base institutions can meet and potentially establish productive relationships; • Financial incentives for SMEs making their first meaningful contact with a knowledge base institution; • Information, project scoping and knowledge/technology brokerage services provided by knowledge base institutions, regions, nationally or internationally.
Product development	Innovation collaborations	Help to work together and with the science and research base.	<p>Funding and support to promote and enable knowledge development and exchange between businesses and between businesses and knowledge base institutions, including:</p> <ul style="list-style-type: none"> • Placement of under-graduates/graduates in businesses; • Exchange of staff between businesses and between businesses and knowledge base institutions; • Collaborative research and development activities; • Large scale demonstrator projects.
Product development	Innovation advice and guidance	Help to plan and develop new products and services.	Fully or part-funded expert advice and guidance to help businesses 'kick-start' work on specific innovation projects.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Product development Access to Finance	Innovation finance	Help to develop and commercially exploit innovative ideas.	Grants or loans for individual businesses to develop technology based product, process, or service innovations, to assist with the cost of research and development including obtaining intellectual property rights, proof of concept, market research, capital expenditure linked to prototyping and large scale demonstrators.
Sales and marketing development Product development	Preparing to go international	Help for businesses considering first time exporting or entry into new overseas markets.	Information and advice to businesses considering first time exporting or entry into new overseas markets – including: <ul style="list-style-type: none"> • planning and developing strategies for exporting; • readiness to export.
Sales and marketing development Product development	Getting into new overseas markets	Tailored help for specific markets	Support includes: <ul style="list-style-type: none"> • hands-on guidance and research; • guidance on overseas marketing and communications strategies; • help on trade show access and meeting overseas buyers; • assistance in arranging overseas visits and general 'in-market support'.
Sales and marketing development Product development	Growing internationally		Provides support for: <ul style="list-style-type: none"> • developing business strategies for continued international growth; • developing and sustaining outward investment and supply chain linkages; • Support for inward investors established in the UK.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Starting up	Business creation	Help to overcome barriers to setting up new business.	Information, skills and expertise to individuals and business to start trading – including: <ul style="list-style-type: none"> • business strategy and business planning; • finance and financial skills; • market research; • customers and selling.
Starting up	Local community business advisers	Helping hard to reach communities start up in business	Locally based business advisors to augment the Business Link service to work with and in targeted communities and groups to: <ul style="list-style-type: none"> • provide advice, guidance and support to individuals in those communities and groups seeking self-employment; • pro-actively promote self-employment as a means into economic activity; • stimulate low productivity businesses into growing their aspirations; • facilitate linkage to Business Link services as appropriate.
Starting up	Preparing for self employment	Helping raise levels of business start up	Help in reviewing an individual's readiness for self-employment and support to help them get started – including advice on: <ul style="list-style-type: none"> • rewards, challenges, risks and responsibilities; • self esteem and confidence; • understanding the language of business.

Business themes	The offer	What is it?	What does it provide? Click here to open link
Starting up Operations and efficiency	Tackling barriers to self-employment	Helping raise levels of business start-up	Support to target groups of new enterprises - including: <ul style="list-style-type: none"> • childcare; • transport costs; • anti-crime measures; • mentoring from specific social groups.

Annex B: An explanation of the Business Link Service

What is Business Link?

Business Link provides the information, advice and support people need to start and grow a business.

The service is there to:

- help anyone who is thinking of starting a business;
- help small and medium-sized businesses to develop; and
- help businesses to deal with problems, challenges and opportunities.

Business Link provides information and advice to help businesses make the most of their opportunities. The service puts people in touch with the expert help they need – whatever the issue.

Advisers deliver the Business Link service locally. They are also supported by:

- a national award-winning website (www.businesslink.gov.uk) packed with useful information, practical help and links to other websites; and
- a national phone line – 0845 600 9 006.

The website and phone line are both linked to local Business Link services.

Who is Business Link for?

All businesses can use Business Link, whether they are:

- a private company;
- a public company;
- a partnership;
- a sole trader;
- a voluntary organisation;
- a co-operative; or
- a social enterprise.

Who runs Business Link?

The DTI's Small Business Service is responsible for policy, the local service is provided by the Regional Development Agency, which will assess quality and make sure a high and consistent standard of service is available across the country.

How many people use Business Link?

In 2004/2005, 740,000 businesses used Business Link, of which nearly 554,000 were existing businesses and 186,000 were people who were either thinking of starting, or actually starting, a new business.

About 500,000 people a month use the national website – www.businesslink.gov.uk.

Are customers satisfied with the local Business Link service?

By March 2005:

- 91% of customers were satisfied with the local service;
- 96% of those customers were willing to recommend the service to others; and
- 92% said they would use the service again.

Core elements of the Business Link service:

- Information & sign-posting to professional services
- Brokerage, based on need: e.g. professional services, training solutions, finance, skills, services (referral to specialists – normally a minimum of three suppliers provided)
- Local information on sectors/markets
- National telephone number
- “How to” guides & “No-Nonsense” Guides
- Good Practice Guides
- Case Studies
- Web-based information services
- Access to other Government Department helpdesks (e.g. HM Revenue and Customs, UK Trade and Investment, DEFRA, DfES, CLG etc)
- Information about sources of funding
- Online self-assessment diagnostics
- Initial telephone diagnostic

Annex C List of consultees

This list includes organisations who have been involved in the business support simplification programme as well as those we are consulting now. In May this year over one hundred local authorities were involved in a survey of 500 business support schemes to inform the design of the proposed business support.

- Advisory, Conciliation and Arbitration Service
- AEA Technology
- Albatross Travel Group
- ARTS Property Services
- Assoc of Greater Manchester Authorities
- Association of Certified Chartered Accountants
- Association of Chief Executive of Voluntary Organisations (ACEVO)
- Aston Science Park
- Bio City Nottingham
- Bioapproaches South West
- Birmingham Forward
- Bristol University
- Business Liverpool
- CDC Business Partnership
- Chemicals North West
- Chess PLC
- Core Cities Group
- County Economic Development Officers' Society
- Coventry University Enterprises Ltd
- Creative Space Management
- Design Council
- ECJ Associates Ltd
- Electronics Yorkshire EnvironLink NW
- Engineering Employers Federation
- Groundwork
- Heart of England Fine Foods
- Higher Education Funding Council for England (HEFCE).
- iCentrum
- International Confederation of Business Advancement
- Lancashire Economic Partnership
- Liverpool Business Council
- Local Government Association
- London Councils
- Malvern Science Park
- Manchester Enterprise Ltd
- Manufacturing Institute
- Marine South West
- Midlands Aerospace Alliance
- National Association for Community and Voluntary Section
- National Council for Voluntary Organisations (NCVO)
- National Employer Panel
- National Federation of Enterprise Agencies
- Natural England
- Neighbourhood Work Centre
- NESTA
- Newbridge Consulting Ltd
- NW Aerospace Alliance
- NW Auto Alliance
- Organic Materials Innovation Centre
- PRIME
- Prowess
- Research council
- Rotherham Innovation and Development Office
- Sandwell Community Caring Trust
- Sheffield University
- Skills for Business Network
- SOA Development
- Social Enterprise Coalition (SEC)
- South West Screen
- Statiflo International
- Stevenage Business Initiative
- Support Shop Workcentres
- The Arts and Humanities Research Council
- The Association of University Research and Industry Links (AURIL)
- The British Chambers of Commerce (BCC)
- The British Retail Consortium (BRC)
- The Carbon Trust
- The CBI SME Council
- The Confederation of British Industry (CBI)
- The Coventry Land and Business Association
- The Energy Saving Trust
- The Federation of Small Businesses (FSB)
- The Forestry Commission
- The Forum of Private Business (FPB)
- The Institute of Chartered Accountants
- The Institute of Directors (IOD)
- The National Farmers Union
- The Refugee Council
- Trade Association Forum
- Trades Union Congress
- UK Business Incubation
- UK Science Parks Association
- University of Manchester
- Velocity
- Vero Screening
- Yellowfin
- Yorkshire Chemical Focus Ltd
- Yorkshire Food Technology Centre

Annex D

Code of Practice on Consultations

1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.
2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.
3. Ensure that your consultation is clear, concise and widely accessible.
4. Give feedback regarding the responses received and how the consultation process influenced the policy.
5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.
6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.

The complete code is available on the Cabinet Office's web site, address <http://www.cabinetoffice.gov.uk/regulation/consultation/index.asp>.

Comments or complaints

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to Stephen Childerstone, DTI Consultation Co-ordinator, 1 Victoria Street, London, SW1H 0ET or telephone him on 020 7215 0354 or email to: Stephen.Childerstone@dti.gsi.gov.uk.

