



SEEDA Consultation Document on the shape of the Business Link Service in the South East of England from April 2010

3 October 2008, Version 18 FINAL

Introduction

The South East England Development Agency (SEEDA) is seeking to procure the delivery of Business Link services in the South East from April 2010 via a formal European procurement process. In order to ensure that the delivery of Business Link services in the South East continues to meet the needs of its customers and deliver the South East's economic development objectives (identified in the Regional Economic Strategy), SEEDA wishes to consult with regional partners and stakeholders, including businesses on key elements of delivery.

This is a unique opportunity for stakeholders to contribute to the specification for the service from 2010.

This consultation paper has been prepared in order to enable partners and stakeholders to inform the shape of the Business Link service from April 2010.

This document is divided into two parts;

Part 1 - Provides the background and contextual information for the consultation, and

Part 2 – Sets out the issues for consultation and consultation questions.

The consultation period will run for six weeks from 3rd October to 14th November 2008. During this period six sub regional stakeholder events will be held to support the consultation.

During November, the evidence from the consultation will feed into the development of the tender specification which, subject to internal SEEDA processes, will be issued via the formal OJEU procurement process in December 2008.

A glossary of abbreviations is provided at **Annex 4**

Responses

The deadline for responses is **FRIDAY 14th NOVEMBER 2008**.

Please submit your responses to us either electronically to:

businesssupport@seeda.co.uk or, in writing to:

Sarah Watson
Head of Business Support
Business and Enterprise Team
SEEDA
Cross Lanes
Guildford
GU1 1YA

PART 1 – Context and background

1. Responsibility for procuring and managing the delivery of the Business Link service in the South East of England transferred to SEEDA in April 2005 from the Small Business Service with two years remaining on the existing contracts.
2. During 2006, the SEEDA Board took the decision to retain the structure of the six Business Link Providers (BLPs) in the South East for a three year period, subject to the development of a regionally consistent model, efficiency gains, the maintenance of performance and continued compliance with the national branding requirements.
3. The current contract arrangements end in March 2010 and SEEDA will formally procure the service from 2010. Procurement will commence in December 2008 and will conclude by summer 2009.
4. Since SEEDA took over the management of the Business Link Service in 2005 it has substantially driven up performance levels, efficiency, and improved regional consistency of the service by requiring the six BLPs to work together as a regional consortium. Whilst we currently have six BLPs we now have one regional Business Link service delivered locally.
5. In 2005-06 (the first year of SEEDA management), Business Link in the South East worked intensively with nearly 9,500 businesses – that number has grown in the last two years to more than 14,500 Intensive Assist relationships over a twelve month period. The South East continues to exceed performance targets in two (penetration and business intensively assisted) of the three Business Link Key Performance Indicators.
6. Customer Satisfaction (the third key performance indicator) is currently at 90% against a target of 88%. The Business Link service in the South East currently holds the highest satisfaction ranking of all the Regional Development Agencies (RDAs).
7. In addition to performance, SEEDA has worked with the existing BLPs to make efficiency savings of up to £5million, which have been reinvested in front line capacity. This has put more advisors on the ground to support delivery of demanding outcomes. The proportion of their spend going on administration has reduced from 23% to 18.5 % (on average) and is set to reduce further.
8. Significant added value is provided through the way in which SEEDA manages the Business Link service working in partnership with BLPs. Examples include:
 - The BLPs using their infrastructure and expertise to drive local economic development outcomes and lever in additional funding to support local needs as set out in Local and Multi Area Agreements, and exert strategic influence by participation in sub regional partnerships
 - the regional Insights Programme provides quarterly reports on the size and nature of the business base and shapes both the Business Link service delivery and the development and delivery of other regional strategy and policy

National Business Link model

9. Business Link is a national service operating across the whole of England. It comprises two elements:

- businesslink.gov - the national website that is developed and managed centrally under the scrutiny of HM Revenue & Customs
 - 'on-the-ground' regional delivery under the management of the nine RDAs
10. The service is positioned, in line with the Business Support Simplification Programme (BSSP), as the primary access channel to all publicly funded business support and, over the past few years has undergone a significant transformation to fulfil this role.
11. In order to ensure national consistency in delivery, a National Framework has been agreed between the Government and the RDAs. This framework includes:
- Business Link branding guidelines
 - separation tests¹
 - charging policies
 - definitions of the minimum (or 'core') services to be available
12. The Business Link service provides impartial Information, Diagnostic and Brokerage (IDB) services². It is an enabling service specifically designed to support businesses to better understand what issues they need to tackle and to introduce businesses and individuals to appropriate solutions which can be provided from public, private or voluntary sources.
13. The key processes, tools and channels that Business Link Providers use to fulfil this role are:
- Regional Client Relationship Management Information System (RCRMIS) and database systems (clients and solutions)
 - multi-channel marketing activities to provide a strong market making capability
 - one-to-one engagement , one to many, web, and telephone channels
 - a range of generalist and specialist diagnostic tools
 - strong effective partnership arrangements

Current arrangements in the South East

14. SEEDA holds six contracts with six providers for the delivery of the Business Link service in the South East, each of which covers a specific geographical area:
- Sussex Enterprise (Sussex)
 - NGAGE Solutions (Milton Keynes, Oxfordshire and Buckinghamshire)
 - Great Western Enterprise (GWE) (Berkshire)
 - BLS (Surrey)
 - WSX Enterprise (Hampshire and Isle of Wight)
 - Business Support Kent CIC (Kent)
15. These providers work together under a 'Consortium Agreement' to deliver a regionally consistent service at a local level, which embodies the principle of regional planning, design and management with local delivery to ensure local needs can be met. As a consortium, the six providers have articulated and agreed on key regional services, including:

¹ The National Tests of Separation are applied annually to each Business Link Provider to ensure there is a clear division between the delivery of Business Link and any other services that may be provided by an organisation delivering Business Link.

² Please see **Annex 1** for detail of the IDB model

- regional leads for marketing, staff development and training functions
- regional leads for start-up and innovation services
- regional leads for themes such as rural business and social enterprise
- regional procurement for certain activities such as marketing and events

16. Under the current model, key functions/roles are replicated in each of the sub-regional areas such as Chief Executive Officers, finance, HR, and telephone gateway teams. Whilst each BLP currently operates its own IT systems, from April 2009 there will be one single regional CRM.
17. SEEDA presently invests £24M per annum in the delivery of the Business Link service in the South East. In all, the service employs more than 340 people of whom just over 230 are customer facing, including more than 120 Business Advisers delivering Intensive Assistance.
18. In addition to the current Business Link Service, following the recommendation in the Sub-National Review, the Budget 2008 confirmed the Department for Business Enterprise and Regulation Reform (BERR) and the Department for Innovation Universities and Skill's (DIUS) commitment to the launch of a single, integrated brokerage service, delivered under the Business Link brand from April 2009. This integrated brokerage service will include skills brokerage as a major component. A key objective is to ensure that customers have access to a single, coherent, well-integrated service which supports the identification and fulfilment of their training needs and offers an enhanced service to its clients.

Market size

19. The potential customer base in the South East is large and complex. The Inter-Departmental Business Register (IDBR) provides details of VAT and PAYE registered businesses in England and Wales. At present, the IDBR lists more than 340,000 businesses in the South East region. These figures exclude non VAT registered businesses and sole traders and so represent approximately half of all trading enterprises in the region.
20. Key facts:
- Over 100,000 of South East businesses are rurally based
 - Over 80% of businesses employ four or fewer people
 - The main sectors are manufacturing, construction, retail, leisure/tourism and business and financial services.

Key performance indicators at 31 June 2008:

Performance Indicator	Target Q1 2008-09	Actual Q1 2008-09	% of Target
Market Penetration ³	130,959	131,817 (38%)	100
Intensively Assisted (IA) Businesses	14,631	14,918	102

³ Market penetration is counted as all unique clients over a four rolling quarter period (including pre-start and start-up clients) and is expressed as a % of the IDBR (as the best measure of business baseline).

Customer satisfaction ⁴	88%	90%	102
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- 13% of clients are individuals thinking about starting a business
- 5% are newly started businesses (have been running for up to one year)
- 82% are established businesses (running for more than one year)
- 54% of clients and 70% of IA clients employ four or less

21. In addition, since 1 April 2007, the Business Link service has helped 2,589 businesses to start, 1,033 of which were started by women (40%).

Lessons Learned

22. A number of key lessons have been learned from the current contracts:

- Working together as a consortium, the BLPs have been successful in securing efficiencies, which have been reinvested in front line staff. The dramatic growth in the number of Intensive Assist relationships has been achieved by increasing the number of business advisors and by improving individual advisor productivity (as a result of more tightly honed customer-management processes). The current delivery model is operating at an increasingly efficient rate (average back office costs across the BLPs are at 18.5%, down from 23% at the start of the contracting period). The challenge for SEEDA is to drive further efficiencies while maintaining performance and quality
- More regional consistency is being achieved in the delivery of the core service; e.g. the core Business Link Start-up service is regionally procured and managed and offers a consistently high quality service across the patch which is well received by customers. However more could be done to improve the consistency and value of the Intensive Assistance for the customer. The introduction of the regional RCRMIS from April 2009 will itself support service improvements – but SEEDA also needs to consider whether there is a more efficient way to deliver the service
- The cost of the service stands up well when benchmarked against other RDAs. In the last year, SEEDA's rate of Intensive Assistance (as measured against the IDBR) stands at 4.3% compared to the England average of 3.3%. The Business Link service is delivering a quality service at a high volume. The challenge for SEEDA is to appropriately enhance the current service to ensure the right segments of the markets are penetrated and support is delivered in the most appropriate channel mix to enable the achievement of our regional economic development objectives, which rely upon successful improvement in our companies.

23. Lessons learned from other RDAs⁵:

- RDAs that have already re-contracted have generally moved to a single provider
- Experiences of trying to separate the service into different lots on a delivery channel basis have not been successful
- There are no clear performance distinctions that can be drawn between for-profit and not-for profit delivery models

⁴ Customers reporting that they were fairly or very satisfied with the service received through independent satisfaction surveys.

⁵ Please see **Annex 2** which outlines the model adopted in each region.

The Strategic Context

Regional:

24. There is a clear role for BLPs to support delivery of the **Regional Economic Strategy (RES)**. Several key aspects of the RES targets are reflected in the current Business Link priorities:

- provide an integrated and simplified approach to business support
- increase the number of businesses led by women
- increase support for creative, tourism, cultural, leisure and sport sectors
- increase support for rural enterprise
- increase support for home-based businesses particularly rural based and women led businesses
- increase support for enterprise (focused on the pre start market) in under-represented groups and amongst disadvantaged areas through the Enterprise Gateway service
- target under-represented groups and sectors in business to promote enterprise and business support - including social enterprise
- improve support for SMEs in accessing public contracts

25. The draft **Regional Business Support Strategy**, reflecting the Business Support Simplification Programme (BSSP), clearly positions the Business Link service as the primary access channel for business support. It is accepted that some businesses may find other routes into the system (for example to specialist providers), but it is intended that no public funding will be used to set up alternative access routes.

26. The draft Strategy also sets out the requirement for the migration to the Business Link service of all generic information, diagnosis and brokerage services associated with other publicly funded business support services (Train to Gain (TtG) Skills Brokerage by March 2009, UK Trade and Investment (UKTI) support by June 2009, Protecting the Natural Environment support by April 2010, and Resource Efficiency support by October 2009).

National Developments

27. Since the transfer of responsibility from BERR to the RDAs, the Government has issued several policy papers that have an impact on the delivery of the Business Link service. Below is a very short summary of the three key policy papers that have a significant and direct impact on the delivery of the Business Link service from April 2009 and thus on the re-procurement of the service from April 2010.

Enterprise Strategy

28. In March 2008, BERR published the Government's new Enterprise Strategy, with the vision of making the UK the most enterprising economy in the world and the best place to start and grow a business. It sets out a framework of five enablers that will inform and structure the Government's enterprise policy over the next five years. They are:

- A Culture of Enterprise
- Knowledge and Skills
- Access to Finance
- Regulatory Framework

- Business Innovation

Business Support Simplification Programme (BSSP)

29. The 2006 Budget announced the Government's commitment to reduce the number of publicly-funded business support schemes from over 3,000 to no more than 100 by 2010. A consultation held between 22 June and 14 September 2007 on 'Simplifying Business Support' set out how Government proposes to simplify publicly-funded business support in England, to ensure it is:
- simple for business to understand and access
 - good value for money
 - has a substantial, measurable impact on public policy and other goals
30. The key conclusion that impacts upon the Business Link service is the development of Business Link as the primary publicly-funded access channel to business support. Under the BSSP the Government is advocating an "enhanced" role for the Business Link service in fulfilling its role as the primary access point to publicly funded business support services.
31. The Government also announced the integration of the Skills Brokerage service, currently provided through Train to Gain, into the Business Link service from April 2009.

Sub-National Review (SNR)

32. The Government's review of sub-national economic development and regeneration aims to maximise prosperity in all parts of England by stimulating economic growth and improving housing supply. In order to deliver these improvements, a number of structural reforms have been proposed and the following principles are reflected in the Business Support Strategy:
- publicly funded business support should be accessed and delivered in the places where businesses are located
 - local economic partners will be involved in decision making about the pattern of business support services
 - business support will operate within a common regional framework but within this framework business support should be targeted and tailored to address local needs
 - SEEDA investment should attract additional resources from sub-regional partners
33. RDAs will continue to deliver and manage services that are best implemented at the regional level, working with a range of delivery agents and working closely with the private sector. This policy gives a clear steer in terms of the future planning for delivery of the Business Link service in the South East in that it prioritises local flexibility and delivery in order to meet local economic development needs.
34. The enhanced role of the Business Link service will also increasingly reflect local priorities. As part of Business Support Simplification, the Business Link service will aim to deliver against local priorities in order to reduce the pressures towards proliferation of access channels and business support services.
35. The delivery of business support will reflect Local Area Agreement (LAA) targets (and Multi Area Agreement (MAA) targets where appropriate) and will take account of local Community Strategies. The re-procurement of the Business Link service from April 2010 provides the opportunity for further refinements.

PART 2 - Issues for Consultation

Building on the lessons learned, from 2010 SEEDA wants to procure a Business Link Service that:

- delivers the requirement of an Enhanced Business Link
- is fit for purpose to meet the demands of the RES, BSSP and SNR
- is effective and provides consistency of service yet meets local priorities
- is efficient and offers excellent value for money

1. Fixed and variable elements of the service

The Business Link service is a national service and is designed to operate with high levels of consistency across regions and within regions. This is part of the brand management arrangements that have been agreed nationally to ensure that the core offer from Business Link and the customer experience of Business Link will be broadly similar regardless of location.

Beyond the core offers and the IDB model, there is scope for variation in the way in which the Business Link service is deployed regionally and locally.

There are three levels of determinants that will comprise the future delivery of Business Link in the South East of England; those that are fixed nationally, those that are fixed regionally and those that are variable and could be determined at a regional or sub-regional level.

Fixed nationally

- presentation and use of the Business Link brand
- core positioning of Business Link as an access service offering Information, Diagnostic and Brokerage
- universal offer – Business Link services are available to anyone wishing to set up, or running a business
- channels for accessing and delivering the service will be mainly web, telephone, events and face to face
- management information requirements and service definitions
- Business Advisor minimum national standards
- national Business Link website

Fixed regionally

- the Regional Client Relationship Management Information System (RCRMIS)
- regional Business Advisor standards
- strategic role of Business Link in relation to the RES
- regional partnerships and stakeholder management
- core business processes (such as business diagnostic)
- budget
- regional target level
- additional regional management information requirements
- brand management

Variable elements

- market and client segmentation and targeting
- capacity, structure and mix of access and delivery channels
- the business solutions base to which the Business Link service can refer and broker clients
- sub-regional partnership arrangements and linkages with key stakeholders
- the customer journey
- additional investment for the Business Link service
- governance and management of the Business Link service

The scope of this consultation is around these variable elements. SEEDA's overall objective for the Business Link service is to provide the optimum balance between regional consistency and sub-regional flexibility as sought in the Sub-national Review (SNR). The remainder of the consultation focuses on the issues that will affect how that balance should be determined and reflected in the specification for the new service.

Question 1 - Are partners clear on the repositioning of the Business Link brand and business and the scope of the IDB services? To what extent is the role of BL still confused and why?

2. Market and client segmentation and targeting

Business Link is a universal service which means it should offer relevant and accessible services to anyone running a business or anyone thinking of starting a business in England. The total market is segmented using the following national model which forms part of the National Framework (estimated mix in South East):

Start-Up	8%
Owner managed growth	19%
Owner managed steady state	23%
Corporate growth	25%
Corporate steady state	20%
Other	5%

The RES identifies that the creation of new businesses and ownership of existing businesses is not evenly distributed in the economy. There are groups who are under-represented among entrepreneurs and business owners. There is both an equity argument for prioritising additional support to these groups **and communities** and an economic justification⁶. SEEDA also wishes to ensure that hard to reach and/or under-represented groups are targeted to utilise and benefit from Business Link services. These groups are currently identified as:

- women
- disabled people
- people from Black Asian Minority & Ethnic (BAME) communities
- young people
- older people (Over 50)

⁶ Additional support required to target groups/communities may fall outside the scope of the core Business Link offer and therefore needs to be recognised as an additional Business Link intervention

In addition, there is also an emphasis on growth businesses – those who have the potential to deliver impact to the economy. This is reflected in the Business Link “intensive assistance” offer to targeted clients.

As the name suggests, Intensive Assistance, is a fuller engagement between the client and the service and is defined as comprising:

- a structured diagnosis of the business
- an agreed action plan to address issues identified
- a requirement to track specific financial data (called Gross Value Added (GVA)) of the business.

Each Region determines the appropriate criteria for selecting clients for Intensive Assistance in accordance with regional economic priorities. In the South East the priorities for Intensive Assistance are clients in the Start Up, Owner-Managed Growth and Corporate Growth segments.

The Business Link service seeks to maximise the potential for GVA growth by ensuring appropriate representation (i.e. in proportion to the % of the total market) of women, disabled and ethnically diverse clients in both the overall client base and recipients of intensive support.

In summary the market can be segmented by:

- Pre-start, start-up or existing business
- stage of growth/ambition
- size (employees and turnover)
- sector
- ownership (women, ethnically diverse, disabled etc)
- geography of individual/business (rural, disadvantaged areas)
- type of organisation (public, private, voluntary, social enterprise)

Question 2 - On the basis that the general principle of targeting clients for intensive support is accepted, to what extent are the identified client segments appropriate and are they focused sufficiently on high economic impact?
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Question 3 - What are the appropriate mechanisms to capture different requirements from different client groups and ensure they are reflected in the Business Link service?
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Question 4 - Should a consistent segmentation and targeting model be applied across the region or should this vary according to sub-regional needs?
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3. Capacity, structure and mix of access and delivery channels

Business Link operates through four primary access and delivery channels to market:

- one-to-one meetings
- events (one-to-many)
- telephony
- web

The Businesslink.gov website is the primary channel by which clients access Business Link services. This is a national website however there is seamless access to regional versions of the site which have additional local content. The vast majority of clients interact with the Business Link service using only the web channel.

The South East currently operates six separate call centres where clients can phone in to seek advice and information. The combined services handled nearly 42,000 calls in the last year (07/08). For many clients, the telephone channel will be their highest level of access with the Business Link service. Information can be provided over the telephone or there can be electronic or postal fulfilment. Clients may phone to book a place at an event or in certain cases where the requirements are more complex, the caller can be transferred to a Business Advisor for fuller discussion and support. Intensive Assistance can be delivered via the telephone channel.

Attendance at events can range from general conferences, lectures and exhibitions through to small workshop events. Some workshops are used to deliver one-to-many Intensive Assistance where the key elements of diagnosing issues and action planning solutions are done in a group environment. Events are planned regionally but held throughout the region to ensure reasonable access.

Finally, one-to-one advisory support (which historically is most strongly associated with the Business Link service) constitutes a relatively small but important part of the overall channel mix.

Advisers are deployed from the six sub regional offices and contacts take place at a variety of locations - on client premises, at local authority offices or other offices.

The capacity/contribution of the various access channels can be shown below:

	Volume usage (07/08)
Web	150,486 hits (Oct-07 to Mar 08)
Telephone	41,926 calls
Emails	18,300 emails
Events	62,859 people attended
1-1 Adviser	43,180 client visits

Question 5 - To what extent does the mix of access and delivery channels seem appropriate?

Question 6 - Notwithstanding SEEDA's responsibility to ensure compliance with the service definitions, does it appear credible that Intensive Assistance can be provided by the Business Link service without meeting the client or on a one-to-many basis?

Question 7 - The cost of one-to-one/ Intensive Assists is higher than the cost of web based penetration, yet Intensive Assists offer the greatest impact to the region and sub region. With continued drives for efficiency, and where there is flexibility in funding, is it more important to focus on increasing the number of Intensive Assists, or is it more important to focus on a lower, targeted number and increase the intensity of the assistance?

4. The business solutions base to which the Business Link service can refer and broker clients

A key strength of the Business Link service is its ability to refer and broker clients to appropriate providers of solutions to meet their needs. To do this effectively, the Business Link service has to gather, store and interrogate a wide range of information on business support providers and their services. Solutions providers can be in the public, private or third sectors.

The locality of a solutions provider to the client is of varying importance depending upon several factors such as:

- the nature of the service (e.g. there might be an expectation that bookkeeping services can be sourced more locally than a patent attorney)
- the quality of advice and support sought (e.g. clients might have to look further afield to seek higher quality advice)
- the size and maturity of the client (e.g. a pre-start client might expect very local support)
- the degree of specialism of support (e.g. high technology companies may wish to exploit support from overseas providers)

The Business Support Simplification Programme (BSSP) portfolio of products will be used across all levels of government and will be accessed through Business Link as the primary access channel.

It is not the role of the Business Link service to accredit business support providers although there is likely to be an expectation from clients that some form of checking will have taken place.

Question 8 - How can the Business Link service keep attuned to changes in the supply of business support locally and regionally?

Question 9 - What role might the Business Link service play in helping to inform the provision of publicly funded business support at different levels across the region in support of SNR objectives? How could this be structured?

5. Sub-regional partnership arrangements and linkages with key stakeholders

The Business Link service still has an important role to play within economic development in the context of its new and more clearly defined function as an access channel.

The Business Link service has an important role to play working alongside sub-regional partnerships. The BLPs use their infrastructure and expertise to drive local economic development outcomes. The unique attributes and value that the Business Link service can provide to economic development and sub-regional partnerships across the region include:

- largest contributor of business interaction data to the RCRMIS
- independent of business support provision

- a powerful market-making capacity and capability
- market insight and intelligence
- multi channel delivery experience
- understanding of local economic issues

Question 10 - How can the Business Link service best contribute to and support economic development locally and regionally?

Question 11 - What is the current quality of partner engagement with the Business Link service, how can this be improved and how can Business Link Services be positioned to help organisations meet their objectives?

6. The customer journey

SEEDA wishes to ensure that all customers will experience high levels of satisfaction in their engagements with the Business Link service recognising that not all clients will be eligible for the same levels of IDB support and not all clients will be eligible or suitable for the end business services accessible through the Business Link service.

A key competence of the service is therefore to manage the customer journey carefully using key client data and solution data to ensure high quality matching.

Another key competence of the service should be to direct the client as expediently as possible to the end solution(s). This might sound obvious but is complicated by definitions around generalist brokerage and specialist brokerage.

The issue falls into two parts. Firstly there is no clear definition of what comprises generalist brokerage and specialist brokerage. Secondly specialist brokerage can sit inside or outside the Business Link brand and service. BSSP has clearly indicated that generalist brokerage for publicly funded business support should sit with the Business Link service i.e. that this role should not be directly undertaken by other public bodies but does not clarify the position on where specialist brokerage sits.

Currently a Business Link adviser could engage with a client, undertake a general diagnostic and then refer the client to a number of further specialist publicly or privately funded brokers (e.g. Train to Gain broker for skills needs, Enterprise Hub for IPR advice, Finance South East for advice on funding) who would undertake further diagnoses before referring the client to the end solution, for example to the Innovation and Growth Teams.

Question 12 - Should there be a presumption against brokering to brokers unless absolutely necessary? Are there any obvious examples or exceptions?

Question 13 - Should the skill set of BL advisers be extended such that they can direct clients to appropriate end solutions either more frequently or completely (i.e. in the same way that a patient would not expect to be referred from a GP to specialist GP to a consultant)?

7. Additional investment for the Business Link service

Core funding is provided for the Business Link Service by SEEDA. However, it is envisaged that additional monies will be attracted from other bodies within the region to supplement particular activities consistent with the overall Business Link service.

Additional investment in the Business Link access service to business support, as opposed to other business support services would be consistent with BSSP and SNR.

So for example, a Local Authority might wish to provide additional support for an identified local priority say, social enterprises beyond the core level and make available resources to fund a specialist adviser for a period within the Business Link team to be deployed in that area. Equally a sector partner could make hot desking available to a Business Link adviser to connect appropriate clients to the service.

Question 14 - Is the idea of enabling additional investment for the Business Link service a good one and are there any early ideas?

8. Governance and management of the Business Link service

The Business Link service is currently procured by SEEDA through contracts with six BLPs (see Part 1, paragraphs 14-22).

Each of these organisations has its own board with broad representation from the local area. SEEDA recognises the value these boards not just in terms of governance but in terms of connectivity with the issues and dynamics of the respective areas.

Without prejudice to future delivery models in the South East, SEEDA is clear that it wishes to retain strong local input and influence into how the Business Link service is shaped and delivered. An example of this can be seen in the development of PUSH a Multi Area Agreement in Portsmouth and South Hampshire.⁷

Question 15 - How might local involvement in the Business Link service be shaped in the future? Are there existing structures that can be utilised in this function?

Question 16 - What are the key issues that local business groups might wish to consider and influence in relation to how the Business Link service is shaped and delivered?

9. Other comments and contributions

The earlier sections of this consultation paper set out some key background information on the Business Link service and seek to draw out responses on areas of particular interest to SEEDA as we think about specifying and procuring the service from April 2010.

However, we recognise that the Business Link service is complex both in the way that it operates and its position in the overall business support marketplace.

For these reasons, there may be other issues on which you would like to comment in relation to the Business Link service itself or its interplay with other partners or services.

We would welcome these comments as part of your response.

⁷ Please see **Annex 3** - PUSH case study

Annex 1 - Business Link IDB Proposition – Definition

National Framework Principles

The Business Link brand will solely and exclusively focus on providing access to support provided by third party suppliers, offering customers a service portfolio which consists of **Informing, Diagnosing and Brokering (IDB)**. The IDB service portfolio will:

- a) be accessible to key market segments through four channels to market: Web, Telephone, Face-to-face and networks/events
- b) contain the following important components: Information Provision, Action Planning and Account/Relationship Management

The level of customer engagement intensity will vary, depending on customer need and priorities in national and regional strategies. In practical terms, the IDB service portfolio will have the following aspects, characteristics and customer benefits:

	Information	Diagnostics	Brokerage
What the Business Link brand will provide. (This universal service will be tailored to address the needs of pre-starts, start-ups, lifestyle, growing, steady state and high growth businesses.)	A fully integrated telephone and web-based information and enquiry service that will enable business people to identify opportunities and assistance to support the growth and development of their business. Full access to all Government information and support services that relate to business (available from European, National and local Government). Objective information on the range of business support services that are available from both the public and private sector, and guidance on how to make the best use of them.	Structured self-assessment, to enable businesses to analyse opportunities to develop gaps in capabilities (eg., on-line self-assessment tools). Structured assisted diagnosis to help businesses gain an objective and realistic view of their business and performance, highlighting specific areas of activity that are in greatest need for improvement and change and encouraging businesses to begin to make decisions on their future development. Support and guidance on how to get the best from the wider business support community. An account management relationship (where desired by the client and where appropriate). Help in building an action plan that will help	A signposting/referral service available at first level contact/enquiry stage, using a list of Business Link recognised service providers, with guidelines on how to make the best and most appropriate selection. A brokerage service for customers who have been provided with an assisted diagnosis and have agreed an action plan with their Business Link adviser. This will provide customers with a referral to at least three quality-assured solution providers (where possible) who are most appropriate to provide the expert support needed to achieve the business objectives identified in the Action Plan. Account management support for customers engaging in complex solutions involving multiple providers to monitor the customer journey and ensure the customer's objective are met.

		the business achieve its growth/improvement objectives.	
What this will do for customers	Ensure consumers of business support have access to comprehensive information services and are therefore better informed. Making people in business aware of the benefits of advice and support will help them identify opportunities for improvement and growth of their business that they would not otherwise have seen.	A practical and workable action plan detailing the requirements for business support will provide greater insight into the business issues to be addressed and options for the future objectives for the business. Provide the opportunity for an ongoing relationship with an impartial and trusted Business Link IDB service provider.	Ensure access to appropriate solutions matched to customer needs. Provide support to help businesses carry out effective project management of more complex solutions. Providing access to expert support and advice with seamless and speedy referrals to appropriate business support organisations will encourage increased use of services. Building relationships with public and private sector business support providers will help to build the capacity and capability of the supply side.

The Business Link IDB service will work to the highest professional, legal and ethical standards meeting the national standards of competence as a minimum.

Role of the Advisor delivering the IDB service	
Yes to:	No to:
• Diagnosis both generalist and specialist • Work with a business, helping them to take a detailed and systematic look at their business, identifying both the performance gaps and the opportunities and developing a clear picture of the improvement priorities. • Challenge the business's vision and goals and encourage them to implement improvements and facilitating the development of a strategic framework and plan. • Help prepare an Action Plan that is outcome focused and time bound. • Signpost, refer to appropriate business support organisations. • Help client select solution providers by providing 3 quality assured suppliers, where appropriate, and guidance on selection criteria. • Account management of the client relationship. • Help clients prioritise support in more complex solutions. • Help clients understand funding options and how to find and access them.	• Providing a consultancy service. • Making decisions on clients' behalf (shadow directorship). • Open-ended relationships. • Offering clients guaranteed funding.

Annex 2 - Regional models

North West: The North West region has moved to a single provider model. The provider is a special purpose vehicle in the form of a wholly owned RDA subsidiary company. Train to Gain is already integrated into the BL service.
North East: The North East (NE) region has moved to a single provider model. The provider has been created through an amalgamation of previous providers into a single new company limited by guarantee. The NE attracts significant amounts of leveraged funding through EU programmes and delivers the highest levels of market penetration. Train to Gain is already integrated into the BL service.
East of England: The East of England region has moved to a single provider model. The provider is a joint venture between two companies that are each limited by guarantee. Train to Gain is not yet integrated with the BL service.
London: London previously operated a single provider model but re-tendered on the same basis from April 2007. Serco are the appointed provider and deliver the service on a commercial (i.e. profit taking) basis. Train to Gain service is not yet integrated with the BL service.
East Midlands: East Midlands region has moved to a single provider model. The provider has been created through the amalgamation of previous providers into a single new company limited by guarantee. Train to Gain is not yet integrated into the BL service.
West Midlands: West Midlands region has moved to a single provider model. The provider has been created through the amalgamation of previous providers into a single new company limited by guarantee. Train to Gain is not yet integrated into the BL service.
Yorkshire: Yorkshire region has moved to a single provider model. The provider is a joint venture between two companies - one a PLC and one a private company limited by guarantee. Train to Gain is not yet integrated with the BL service
Southwest: The South West region has moved to a three provider model. One provider is an amalgamation of previous provider into a new single company limited by guarantee. The other provider is Serco which operates on a commercial basis. Train to Gain is integrated with the BL service.

Annex 3 – PUSH Case Study

Local Delivery in Action – Partnership for Urban South Hampshire (PUSH)

The South Hampshire Agreement (SHA) is a Multi Area Agreement (MAA) for South Hampshire prepared by the Partnership for Urban South Hampshire (PUSH) a partnership of the eleven local authorities within the PUSH area, Transport for South Hampshire (TfSH) and other key partners including Job Centre Plus, Learning and Skills Council, Business Link and SEEDA.

The Agreement proposes eight outcomes and eight enabling measures. Outcome 5: 'increased effectiveness of business support', aims to increase GVA and productivity through targeting resources and policy to support growth, productivity and retention in established businesses. In order to achieve this target, enabling measure 4 asks Government (via SEEDA) to relax the national Business Link target setting regime to allow Business Link to re-allocate its resources to match sub-regional priorities.

PUSH has agreed with SEEDA and BERR a 12% reduction in the Business Link Market Penetration target with a corresponding uplift of 12% in the Intensive Assistance target. It is forecast that this will deliver an additional £19m of Annual GVA change and an improvement of 4.7% in the productivity of businesses supported in each year of the pilot. This change applies to the PUSH area only, accounting for 45% of businesses in the Hampshire & Isle of Wight sub-region.

Both BERR and SEEDA have welcomed this opportunity to enable local priorities to influence the targeting and delivery of the Business Link service.

Annex 4 – Glossary of Abbreviations

BAME	Black and Minority Ethnic
BERR	Department for Business Enterprise and Regulation Reform
BL	Business Link
BLP(s)	Business Link Provider (s)
BSSP	Business Support Simplification Programme
BSS	Business Support Strategy
CRM	Customer Relationships Management
DIUS	Department for Innovation Universities and Skills
GVA	Gross Value Added
IA	Intensive Assist
IDB	Information, Diagnostics and Brokerage
IDBR	Inter-Departmental Business Register
IPR	Intellectual Property Rights
JCP	Job Centre Plus
KPI	Key Performance Indicators
LAA	Local Area Agreement
MAA	Multi Area Agreement
NE	North East
OJEU	Official Journal of the European Union
PAYE	Pay As You Earn
PUSH	Partnership for Urban South Hampshire
RCRMIS	Regional Client Relationships Management Information System
RDA (s)	Regional Development Agency
RES	Regional Economic Strategy
SEBSAB	South East Business Advisory Board
SEEDA	South East England Development Agency
SHA	South Hampshire Agreement
SME	Small Medium Enterprise
SNR	Sub National Review
TfSH	Transport for South Hampshire
TtG	Train to Gain
UKTI	UK Trade and Investment
VAT	Value Added TAX