

## Draft Minutes

### **South East Business Support Advisory Board (SEBSAB) Manor House Newlands Corner, Guildford – 7<sup>th</sup> May 2009**

**Present:** Alex Pratt (Chair), Jeff Alexander (SEEDA), Kieran McNamara (East Sussex County Council), Rafiq Chohan (Slough Borough Council), Roger House (FSB), Rodger Board (IOD), David Seall (EEF), Deborah Wyatt (Business Link Hampshire & Isle of Wight), David Rowland (Skills South East), Ross McNally (SEE Chambers of Commerce), Malcolm Hyde (CBI South East), Tom Fourcade (Envirobusiness), Alastair Reid (South East Economic Partnerships), Julie Bott (Head of Transition BERR, replacing Janice Munday), Magali Walker (Government Office South East substitute for Colin Byrne), Peter Marsh (LSC substitute for Marinos Paphitis), Debbie Dacombe (South East UKTI substitute for Lewis Scott), John Slater (RAISE substitute for Carol McKinley), Vivienne Gray (HESE – substitute for Julian Crampton), Catherine Hilton (AOSEC – substitute for Janet Edrich), Mark Privett (Jobcentre Plus substitute for Lynda Jones), David Candlin (Tunbridge Wells Borough Council), Phil Bailey (SEEDA), Sarah Watson (SEEDA), Ivan Perkovic (SEEDA), Katie Lloyd (SEEDA), Helen Mead (SEEDA), Christina Hartshorn (SEEDA), and Glen Atherfold (SEEDA).

**Apologies:** Colin Byrne (Government Office South East –substituted by Magali Walker)

Marinos Paphitis (LSC – substituted by Peter Marsh)

Lewis Scott (South East UKTI – substituted by Debbie Dacombe)

Bernie Topham (Eastleigh Borough Council)

Carol McKinley (RAISE – substituted by John Slater)

Fay Webster (SE Institute of Chartered Accountants in England and Wales)

Julian Crampton (HESE – substituted by Vivienne Gray)

Janet Edrich (AOSEC – substituted by Catherine Hilton)

Lynda Jones (Jobcentre Plus – substituted by Mark Privett)

Terry Watts (Proskills)

Oona Muirhead (SEEDA)

#### **1. Welcome and Introductions – Alex Pratt**

Alex reminded members of the purpose of the Board which is to provide oversight of BSSP transition in the South East, and advice on the strategic direction of Business Link and Innovation and Growth Teams.

#### **2. Minutes of the Last Meeting – Alex Pratt**

Minutes from 14 January 2009 were agreed.

Two action points outstanding:

- i) Share Local Authority Data with SEBSAB (Glen Atherfold)
- ii) SEBUS to think about identifying a small number of key common questions to be ask in surveys – (SEBUS)

#### **3. Simplifying Business Support at the Local Level – David Candlin and Katie Lloyd (slides attached)**

David Candlin and Katie Lloyd presented on Simplification in Action at the local level (Kent and Medway). The presentation highlighted the process LA and SEEDA Area

Teams are going through and noted a number of issues on implementation, including: interpretation (determining the scope of products/services); resources; branding (specifically applying the strap line 'Funded by government'), flexibility (the potential to stifle innovation) and quality assurance.

On Quality Assurance (QA) Peter Marsh pointed to the established programmes such as Train to Gain which have robust QA programmes, and noted QA was often a concern for smaller programmes (and the respective suppliers) as they weren't always linked into quality assurance framework.

Ross McNally urged the business support offer must be demand led rather than top down or supply led. The marketplace is complex, which is a strength, and business are well adjusted to operating within this marketplace.

Roger House encouraged the involvement of business organisations in discussions regarding business simplification at the local level.

David Candlin noted the relationship with BL had improved, simplifying access into public funded business support.

Julie Bott noted a report on the 6 local authorities 'Demonstrators' is due for release shortly. Julie also noted all regions were wrestling with similar issues to those highlighted in the presentation. Members were reminded that the Solutions for Business portfolio was designed with customer input and overseen by the Transition Management Board whose membership includes national Business Representative Organisation.

Malcolm Hyde added the importance of independent assessment/evaluation in addition to robust QA and quality control arrangements.

**Action – i) To circulate the paper from the LA Demonstrators (when available) – Glen Atherfold; ii) to provide a verbal update at the next meeting against the specific issues raised in the LA presentation – Glen Atherfold.**

### **BSSP Update – Glen Atherfold**

Glen provided an update since members last met:

- Launch of the portfolio of 30 products 31 March 2009;
- Branding guidelines issued (a joint regional workshop with BERR will be hosted in June and rolled out to the sub-regions in June/July);
- Draft high level Performance Management Framework being developed; and
- LA Demonstrator report due shortly.

At the regional level

- LA support mapping largely complete.
- Individual transition plans for matched existing SEEDA funded products being developed;
- Termination plans for non matched products in place by September.

**Action – Provide an aggregated updated transition plan for SEEDA funded products at the next meeting (Glen Atherfold).**

#### **4. Business Link – Update on Procurement Process – Sarah Watson (slides attached)**

Sarah Watson provided an update on BL Performance for 2008/09 (all targets were exceeded).

Sarah noted SEEDA were in the process of developing a 'Regional Start Up Framework' which would include a flexible call off facility for partners (in particular LAs). A proposal, being developed with local input, will be presented at the next meeting of SEBSAB.

Sarah provided an update on the BL procurement arrangements noting: bids were being evaluated during May; BL Advisory Panel due to meet on 1/2 June; and following that recommendations will be made to the SEEDA Board. Sarah noted there are 4 business representative organisations and 1 LA colleague on the BL Advisory Panel to be chaired by Alex Pratt. The new BL supplier will be notified in June (not April as on the slide), and the new service will commence 1<sup>st</sup> April 2010.

The Regional CRM and Information System will be live from September 2009.

**Action: To provide an update on the outcome of the BL procurement process at the next meeting (Sarah Watson).**

#### **5. Business Link “Myths v Reality” – Deborah Wyatt (slides attached)**

Deborah Wyatt presented “Myths v Reality” and distributed copies of South East Business Monitor magazine to the members of the meeting.

Roger Board welcomed the inclusion of the GVA information and asked for further detail on how BL is making a difference – this could be used to promote the service to members. Members also sought examples/case studies of how the Health Check is being received by businesses.

David Seall, who seconded Rodger Broad's comments above, noted an interest in the work BL is doing with larger business and what the BL proposition is for larger businesses.

Ross McNally noted a commonly held perception about BL not being good at partnerships with intermediaries and asked if this could be exploded by giving examples of who BL have built partnerships with.

Rafiq Chohan commented that BL is often perceived to be inflexible or slow respond. BL were encouraged to identify examples to counter this perception.

Alex Pratt noted it would be useful get underneath the numbers and asked for a presentation at the next meeting on BL customer satisfaction.

**Action –i) To provide further information on how BL is making a difference (specifically in response to Roger Board's request for information on the GVA change of businesses assisted by Business Link) – Deborah Wyatt. ii) To provide information and examples of customers who have benefited from the BL Health Check – Deborah Wyatt.; iii) To provide information on BL usage by size (particularly for larger businesses) and to set out the BL proposition to larger business – Deborah Wyatt; iv) To present (at the next meeting) on BL Customer Satisfaction – Sarah Watson and Deborah Wyatt.**

## **6. South East Economy – Update – Ivan Perkovic – (slides attached)**

Ivan Perkovic presentation on the South East economy included: an overview of the downturn in the South East; the impact of the downturn on the economy and businesses; labour market impacts; whether or not we can we learn anything from the past – sectoral performance in recessions; the policy response.

**Action – Future presentation on the South East Economy should include an assessment of progress since the last meeting – Alex Perkovic.**

## **7. Environmental Technologies and Services – Tom Fourcade – (slides attached)**

Tom Fourcade provided an overview of the Environmental Technologies and Services, in particular noting services to support businesses to exploit the growing global demand for environmental technology.

Tom noted the South East has approximately 3000 businesses servicing the environmental markets and highlighted more businesses could be exploiting the opportunities but awareness of the opportunities remains low. The focus of the service will be on those businesses that have the opportunity to exploit the opportunities and have the capability to offer a set of high quality services within the global market resource making sales in other countries. A close partnership already exists with UKTI. Members were encouraged to promote the service.

## **8. Business Support Strategy – Glen Atherfold**

Glen provided a summary of the responses to the Business Support consultation noting there was good overall support for the approach proposed. (See attached at Annex 1 a summary of the comments against the respective consultation questions.) Glen noted the comments from the consultation had been incorporated into a revised document.

Jeff Alexander informed members of Government recently published New Industries, New Jobs (NINJ) strategic framework which notes how Government will pro-actively target support on high growth and high innovation businesses to ensure Britain is best placed to respond to opportunities which emerge out of the up turn.

Like the NINJ, the South East Business Support Strategy should act as a framework which sets out how the wider public sector offer to business support 'fits' together. David Seall asked that this should reflect private and voluntary sector support as well.

**Action – To provide a 'picture' of business support in the South East for the next meeting – Glen Atherfold.**

## **9. Skills For Business – Helen Mead – (slides attached)**

Helen presented Skills for Business.

David Seall was pleased to see that the presentation referred to the IIP standard.

Rafiq Chohan asked that a future meeting might focus on how skills is to be simplified (which would encourage more businesses to invest in training).

**Action – To provide an update on IIP – Glen Atherfold.**

**10. LSC Leadership and Advisory Management Advisory Service – Christina Hartshorn**

Christina Hartshorn informed members that the LSC funded Leadership and Management Advisory Service is currently delivering (currently on target and achieved 1100 in 3 months). The programme be delivered over 3 years and there will be 10,000 beneficiaries. Christina will provide regular progress updates for SEBSAB.

**11. Rationalising Boards and Committees – Alex Pratt**

Alex Pratt reported that SEBSAB are one of a number of groups under review. Alex noted there will be a three strategy boards with associated areas of responsibility: i) housing; ii) transport and iii) economy and learning. The role of these three boards is to deliver what is in the RES and the secondary function is to form the new RES.

Jeff Alexander noted the remit of SEBSAB is likely to be widened to include skills. Jeff noted SEBSAB has a specific role in business support, in particular oversight of the Business Support Simplification arrangement in the South East. The region needs to retain the focus of SEBSAB within a new regional governance structure as well as attempting to keep the number of different groups to a minimum. No decisions have been made and members will receive further information as the thinking develops.

**Action – Members are invited to share ideas or suggestions on the structure with Jeff/Alex- All.**

**12. Any Other Business**

Alex Pratt formally thanked both John Parsonage and Anne Johnstone for their hard work and effort. Both have now left the Board.

Rafiq Chohan noted he will be joining Jeff Alexander on the national Business Link Strategy Group.

**Date of the next meeting - To be advised.**

Meeting Closed.

Feedback from the South East Business Support Strategy consultation:

## **Introduction**

The South East England Development Agency (SEEDA) is seeking to develop a regional Business Support Strategy that provides a framework for implementation of Business Support Simplification in the region, clearly articulates the role of the Business Link service and provides a framework for providers of publicly funded business support.

A draft strategy was developed and put out to consultation during October and November together with a consultation document on the future shape of the Business Link service. These consultations received over 60 written responses from stakeholder and partner organisations.

SEEDA is grateful for the time, effort and consideration that respondents have put into this important consultation.

The purpose of this document is to summarise the views expressed through the consultation process. The feedback will be incorporated into a revised Business Support Strategy for consideration by the South East Business Support Advisory Board in September 2009.

### **Methodology:**

For ease of reference this paper has been structured using the original questions. It was collated by reading through the written responses and then pulling together the key points.

In some cases, there were similar responses to the questions which enabled us to summarise these views and present as a broad consensus.

Where views were more mixed and diverse, we have tried to present the range of responses. Responses were also informed by the nature of the respondent organisation with an evident difference between regional and sub-regional perspectives.

## **1. Comments and feedback on the overall approach**

There was broad support across respondents to the overall approach of the strategy. Additional specific points raised on the strategy included:

- there is a need to demonstrate more clearly to businesses that publicly funded business support can add value;
- whether or not there is a need for a separate strategy for Social Enterprises;
- the ambition set out in the strategy might not be adequately resourced;
- whether or not the strategy is too focussed on wealth creation - needs more emphases on wealth distribution and social inclusion;
- not enough emphasis on role of local authorities in business support or the upward influence of LAAs and MAAs;
- the “what” is generally accepted but the “how” is more problematical and is not well defined in the strategy;
- there are various aspects of change underway currently including RES, SNR, BSSP, LANI. Is SEEDA confident that these will be implemented coherently?
- there does not appear to be sufficient recognition or flexibility in the strategy to address the current economic downturn e.g. balance between survival and growth strategies.

## **2. Do the proposed four strategic objectives for the Business Support Strategy offer the right framework and provide clear direction which can be used by all parties in the region working to support businesses? (see page 6)**

There was a strong consensus that the four strategic objectives were broadly correct and would provide some direction for others across the region. However, there were a number of specific issues as follows:

- several respondents pointed out the apparent tension between objectives 3 and 4 and between both these objectives and the overarching principle of helping all businesses;
- similarly several thought that whilst the strategy was broadly right, the difficulty would be in translating that into specific coherent sets of actions and activities;

- allied to the previous point was the observation that the strategy lacks any sense of proportionality or respective investment between the different objectives;
- there were additional suggestions for categories under Objective 3 including rural businesses, urban businesses in areas of disadvantage and social enterprises.

(Some additional specific comments included in Q10)

### **3. Will the implementation of Business Support Simplification sufficiently improve the coherence of publicly funded business support provided by all organisations in the region? (see page 10)**

There was strong support for BSS and a general recognition that successful implementation will help with issues of coherence. However, sufficiency is not defined and many respondents expressed views on additional factors that will be required to drive improvements:

- there will need to be a significant change in the quality of the Business Link service and possibly additional resources;
- in addition to coherence are the issues of awareness and take up;
- there will need to be clear distinction between Business Link brokers and any specialist brokers;
- BSS will have to be carefully managed to avoid re proliferation of business support initiatives;
- Business Link will need to engage better with suppliers of all types.

### **4. How should the Strategy be used to support the objectives in Local Area Agreements/Multi Area Agreements? (see page 11)**

There was agreement from respondents on the need for there to be a strong correlation between the Regional Business Support Strategy and Local/Multi Area Agreements. Specific comments included:

- Business Link service and funding needs to explicitly be aligned with LAA/MAA priorities and deliver against appropriate targets (e.g. NI171);
- the strategy needs to be informed bottom up by LAA and MAA priorities and targets;
- there needs to be recognition that the ability of local authorities to contribute substantial funds to business support will be limited;

**5. How should the geographic priorities of the RES best influence the decisions of the providers of publicly funded business support? (See page 16)**

The range of responses to this question was much more varied and it was difficult to draw any clear conclusions. The type of response varied according to the geographical location of the respondent organisation in many instances:

- providers should not be influenced by any spatial considerations;
- the geographic priorities of the RES should feed through into local partnerships and LAA/MAA. To a large extent this appears to be happening;
- there needs to be more emphasis on rural areas and areas of deprivation;
- there needs to be greater clarity on the implications of the geographical segmentation e.g. in terms of different levels of investment, in terms of fit with other segmentation criteria etc..

**6. How can additional support for under-represented groups be integrated into business support rather than being marginalised? (See page 16)**

There were very strong and diverse views expressed about under-represented groups in general and about the integration into mainstream business support specifically;

- the definitions of under-represented are too broad to usefully target resources;
- funding should follow the grain of the market - businesses are formed and developed through entrepreneurial talent and market forces;
- additional support for under-represented groups should not be pursued to the detriment of the business community as a whole;
- the support should be directed at removing any barriers and improving access to general support - not special services;
- support for under-represented groups is likely to be intensive and expensive - no apportionment of finances to this objective and therefore cannot measure opportunity cost;
- social enterprise is wrongly identified as a priority business type.

**7. Will the proposed segmentation to focus intensive support on the high value businesses allow business support services to be targeted where they can have the greatest impact? (see page 17)**

Similarly to question 6, this question attracted a polarised range of responses although there was a majority in favour of targeting intensive support in the way outlined in the strategy. Additional comments included;

- there is a poor public sector track record in “picking winners”;
- the selection criteria for different business groups is not clear and therefore how is this going to be applied in practice? Criteria will be diluted by targets unless there are strict monitoring procedures in place;
- impact is defined too narrowly e.g. need to consider needs of low growth high employment companies;
- the different business groups make sense but Business Link, SEEDA and Local authorities all want access to the top companies and how is this to be coordinated?;

#### **8. Will the greater coherence of business support be sufficient to promote business formation effectively? (see page 19)**

As in response to question 3, a strong message from respondents that coherence is a necessary, but not necessarily sufficient, factor to promote business formation effectively. In particular, there were two clear additional comments coming through most of the responses;

- the quality of support was felt to be as important or more important than the quantity of support;
- the whole issue of encouraging, nurturing and promoting a culture of enterprise and entrepreneurship is missing from the strategy.

#### **9. The Strategy’s performance measures are currently based on the RES and SEEDA’s Corporate Plan, as set out in Annex 2 (and will reflect the BSSP evaluation criteria when known). Should the LAA National Indicator set (e.g. NI 171) be included? (see page 28)**

Although there were some concerns about the relevance and robustness of some of the National Indicators, there was a close to unanimous response that the NI set, where relevant, should be included.

#### **10. Additional comments and suggestions (see page 28)**

There were a number of additional comments made by respondents which, wherever possible, have been reflected in the other questions. However there were a number of specific points made as follows;

- Objective 4 should include importance of home based businesses (HBBs)
- Objective 1 should include Social Enterprises;
- Add “local” into vision i.e. ...”customer driven, local, easy to access”

- suggestions for additional representatives on SEBSAB to include Social Enterprise, Rural (SERB) and Education Business Partnerships;
- there needs to be a more robust definition of market failure;
- no mention in strategy of natural or planned business clusters and their significance;
- long term survival of a business i.e. 5 years + is key measure of success;
- it would be useful to understand the strategy to enable partner access to RCRMIS;
- it would be useful to understand how the skills and knowledge of IGT members are specified and assessed in relation to their wide remit;
- FDI should not be included within IGT;
- we need to measure what is important - new measures needed.