

BERR

Department for Business
Enterprise & Regulatory Reform

**BUSINESS SUPPORT SIMPLIFICATION
PROGRAMME**

Business Support at the Local
Level - An Information Note

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In association with



INFORMATION NOTE: BUSINESS SUPPORT AT THE LOCAL LEVEL

1. INTRODUCTION

This information note aims to help Local Authorities and Local Strategic Partnerships interested in promoting enterprise and business growth understand the implications of the Government's Business Support Simplification Programme (BSSP), including in the context of negotiating and planning the delivery of Local Area Agreements.

This note sets out how BSSP supports the aims of the Local Performance Framework and the Review of Sub-national Economic Development and Regeneration (SNR) by encouraging greater collaboration, co-ordination and co-investment between the different tiers of government to better support business in creating wealth and jobs for local communities. It builds on "*Simple Support, Better Business: Business Support in 2010*" published in March 2008 which set out the Government's vision of business support.

This information note does not supersede or take priority over the Local Performance Framework Guidance², particularly the Statutory Guidance which remain the formal guidance for the LAA process. Nor does it capture or duplicate all the details contained in that guidance.

2. WHAT IS THE BUSINESS SUPPORT SIMPLIFICATION PROGRAMME?

BSSP is streamlining publicly-funded business support at the national, regional and local level. Business support covers any publicly funded activity that benefits a business or potential business through grant, subsidy, advice or other service. This includes local authority activity.

Local authorities are key partners in the drive to simplify, rationalise and join-up services to business. The services provided by local authorities matter to business.

Simplifying business support

The Government is committed to reducing the number of publicly-funded support schemes from over 3,000 to fewer than 100 by 2010, alongside making Business Link the primary access channel for business to access government support.

¹ <http://www.berr.gov.uk/bbf/simplifying-business-support/page45200.html>

² Further information on the Local Performance Framework can be found at <http://www.communities.gov.uk/localgovernment/performanceframeworkpartnerships/>

BSSP aims to ensure publicly-funded business support is:

- Easier for business to understand and access
- Better value for public money
- Has a measurable impact in achieving economic and public policy goals

These aims reinforce the Government's wider policy commitment to strengthen economic performance at regional, city and local level throughout England, as well as tackling persistent pockets of deprivation.

Partnership working

The new simplified system of business support is being developed under a shared policy framework agreed by Central Government Departments, Regional Development Agencies (RDAs) and Local Authorities. Key elements include:

- Designing a portfolio of no more than 100 shared products
- Enhancing Business Link to take on its role as primary access channel – diagnosing need, advising on support and signposting/brokering
- Developing a shared marketing and branding framework for the new Product Portfolio
- Identifying balanced delivery arrangements, including the most appropriate spatial levels for procuring support
- Putting in place strong governance arrangements and a robust evaluation framework based on shared success factors and consistent performance management

3. WHAT WILL BSSP MEAN FOR LOCAL AUTHORITIES?

The Government has set out an important “**place-shaping**” role for local authorities, which includes focussing on improving the economic vibrancy of their area to build strong, safe and prosperous communities.

Promoting economic development

Local authorities will be expected to play a stronger role in promoting economic development by working more effectively in key economic decision-making. This will require a closer partnership both between local authorities and with RDAs in driving economic growth.

As part of the SNR, Government is consulting on the introduction of a **statutory economic assessment duty** for upper tier and unitary local authorities³. This would provide an improved evidence base about the economic circumstances of each place and should inform both activity and strategy development at local and sub-regional level and the development of the regional strategy. It would also enhance local authority capability and capacity on economic development issues, with greater understanding of the conditions required by business to flourish.

At the same time, BSSP is creating a new portfolio of products and services that will provide business with the high-quality, easily accessed support they need to grow. This includes scope to agree regional and local flexibilities within the national portfolio to ensure business support is responsive to local circumstances.

BSSP will help local authorities promote economic growth by ensuring they have access to the most effective means of supporting business and enterprise in their areas – regardless of the spatial level delivery is managed. This should be more efficient and effective than creating new locally-based schemes from scratch.

Benefits

BSSP will provide local authorities with an approved set of ready-made, flexible, high impact business support products and services that can be deployed quickly and cost-effectively to target local needs. At the same time, Business Link is evolving to take on its role as the primary access channel to business support.

The benefits include:

- Better targeted support will ensure public funds achieve greater economic impact with wider take-up of services from hard to reach groups.
- Enhanced partnership working between the regions and local authorities will mean a more co-ordinated and simple approach that “hides the wiring” for the business customer.
- And because the system has been streamlined, money will not be wasted on unnecessary duplication and back-room administration costs.

The outcome at the local level will be a strong and growing local economy, satisfied customers and increased value for money.

³ <http://www.berr.gov.uk/regional/sub-national-review/page40430.html>

4. HOW WILL BSSP FIT WITH THE LOCAL PERFORMANCE FRAMEWORK AND SNR?

At the local level, BSSP will be taken forward within the policy framework provided by the SNR and Local Performance Framework.

The Local Performance Framework includes several **National Indicators** (eg on adult skills, environment, employment, VAT registrations and regulation) that could require some level of business support activity if performance is to be approved. The challenge will be to ensure this does not result in a fragmented, complicated and inefficient overall offer of support to business.

Local Area Agreements

In setting LAA targets, Local Authorities and Partner Authorities including RDAs have a **“duty to co-operate”** to agree targets and to “have regard” to those they have signed-up to when exercising their functions. In doing so, they are able to set targets against the National Indicators (including those that might require a level of business support) where the indicators have been identified as priorities. Details of how partners will agree LAA targets are explained in the Statutory Guidance.

The RDA’s role

In terms of business support, the nature of the RDA’s role needs to be considered in the context of the SNR. This concluded that RDAs will play a key role in co-ordinating and managing the delivery of business support within regions.

Where local partners have prioritised enterprise related indicators which require business support, central Government will be looking for the proposed business support activity:

- to be undertaken at the appropriate spatial level in line with SNR and in way that offers value for money
- to be consistent with the BSSP framework and portfolio
- to have been discussed and agreed with the RDA

The RDAs “duty to co-operate in the determination of targets” creates an expectation that there will be pro-active collaboration with local authorities in taking forward their place-shaping agendas.

RDAs will co-ordinate and jointly agree with all funders of business support which products or blend of products from the national portfolio will be available in a region through the Regional Transition Management Plans (see below). This includes taking into account local

imperatives, such as achieving regeneration goals through business support activities (eg helping the economically excluded start-up business). It will then be up to funders, including local authorities to decide how much money to put into each product.

Comprehensive Area Assessment

The Audit Commission propose to enhance the focus on assessing the achievement of value for money and strengthened financial management in the Comprehensive Area Assessment (CAA). This will include broadening the scope of the assessment to reflect current concerns and priorities, for example in relation to commissioning and procurement.

As BSSP is a key programme in terms of increasing efficiency and value for money, the Government will discuss with the Audit Commission how compliance with BSSP could be recognised in the developing Comprehensive Area Assessment methodology.

5. HOW WILL SIMPLIFICATION BE ACHIEVED AT THE LOCAL LEVEL?

Government Departments, RDAs and Local Authorities are working in partnership to rationalise existing schemes, and simplify access. This period of transition from the current business support landscape to the simplified framework will take place up to 2010.

The New Product Portfolio

The first products available this year cover the themes Export Credit Guarantee (March 08), Skills Solutions for Business, Capital Investment, Preparing to Export, Investigating New Overseas Markets, Getting the Most from Foreign Direct Investment (October 08), Business Collaboration Networks, Shared Business Support Environments (November 08)

Form 2009, more products will go live to assist with Debt Finance, Risk Capital, Finance Awareness and Capability (January 09), Business Creation, Business Expertise for Growth, Promoting Resource Efficiency and Sustainable Waste Management, Protecting the Natural Environment, Local Community Business Coaching, Innovation Finance and Innovation Collaborations (March 09).

At the same time, Business Link is evolving to take on its role as primary access channel - providing information, diagnostic and brokerage services to business. A commitment to new improved national advisor standards and adherence to a national framework and core offer are just

some of the ways its service to businesses has progressed. Its evolution to better meet business needs will be on-going.

Information, diagnostic and brokerage services

The skills brokerage for Train to Gain and the IDB element of services for a range of products in the areas of Preparing to Export, Investing in New Markets, Promoting Resource Efficiency and Sustainable Waste Management, Protecting the Natural Environment, Business Creation, Business Expertise and Investment Readiness will be included in Business Link's offer to its customers, starting with the integration of Skills Brokerage in April 2009.

Ensuring the national framework meets local needs

The drive towards business simplification is being led at the national level by the Transition Management Board (TMB) which includes the Local Government Association. The TMB will manage the development of the new national portfolio of shared products and services. Products will go live to business on a rolling timetable of no later dates from March 2008 to March 2009.

Effective engagement by local authorities will be crucial to helping ensure the further design and future operation of the national portfolio meets local needs.

This is being achieved in a number ways, including:

- "Local Flexibility" – Representative groups of local authorities will continue to be engaged with the design process for each new business support product including through a series of "roundtables" organised to consider the scope for operational flexibility to meet local needs.
- "Demonstrators" - Local authorities in selected areas will test how the new portfolio works in practice to ensure the new products are "fit for purpose".
- Regional awareness raising events for local authorities.

For further information, local authorities should get in touch with their RDA or the LGA.

Regional transition

RDAs have established Boards involving all business support partners in the region including local authorities to co-ordinate business support in line with SNR. These Boards will have a crucial role in leading the

regional effort to simplify business support, including:

- drawing-up and implementing regional transition plans
- supporting the “enhancement” of Business Link to fulfil its primary access role
- providing the TMB with regional intelligence such as whether the portfolio is meeting local needs effectively

These partnerships will also have a role in ensuring the Regional Strategy reflects the business support priorities of all partners and local economic assessments, and that all business support is in line with the portfolio.

For further information, local authorities should get in touch with their RDA or the local authority representatives on the Regional Board.

Planning business support at the local level

The LAA negotiations provide a valuable opportunity for local partnerships to evaluate their business support needs against the emerging national framework. While circumstances will differ between localities and in many areas there are already high levels of cooperation, an effective approach is likely to involve:

- Local partnerships identifying and agreeing local business support needs and target sectors and communities in light of their economic assessment.
- Local authorities and GOs discussing these with the RDA so they can understand local priorities and the authority can understand the baseline of regional activity delivered locally and fit with the BSSP portfolio.
- Local authorities and RDAs agree what enhancements, if any, are needed, including additional outreach to certain groups.
- Local authorities and RDAs jointly determine how best to contract the enhancement.

For further information, local authorities should get in touch with the Government Offices.

How can local authorities and their partners get involved?

The effective engagement and participation of local authorities will be crucial to the success of BSSP. Local authorities are encouraged to get involved by:

- Considering the implication of BSSP (eg the scope for co-funding activities and better co-ordination with Business Link) when planning any business support activities to help deliver relevant LAA targets.
- Taking part in the specific activities planned for local authorities to raise awareness and ensure the new products and services fully meet local needs.
- Engaging with the local authority representatives on the Boards managing regional transition.

How can local authorities find out more about BSSP?

Further information on BSSP can be found on the BERR website,⁴ including:

- Frequently asked questions on BSSP at the local level
- List of RDA, GO and LGA contacts

The website also provides details of the BSSP framework and product portfolio together with information on “What’s happening in your region”.

You can also get in touch with the BSSP Team in BERR:

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BERR
1 Victoria Street
London SW1H 0ET

Tel: 020 7215 5000

Email: simplification.programme@berr.gov.uk

⁴ <http://www.berr.gov.uk/bbf/simplifying-business-support/page44805.html>

