



**SEEDA response to the consultation process on
the shape of the Business Link service in the
South East of England from April 2010**

December 2008

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 delivers against the objectives set out in the Regional Economic Strategy (RES), SEEDA has undertaken a wide consultation exercise with regional stakeholders, partners, and businesses, on key elements of delivery.

The consultation took place over eight weeks and comprised a series of six consultation events across the region together with over 60 written submissions. We also conducted 25 in-depth telephone interviews with businesses, 150 light touch telephone interviews, attended business focus groups and gathered feedback from the quarterly satisfaction survey.

SEEDA is immensely 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 and give SEEDA's response.

For ease, a glossary of abbreviations is attached at Annex 1. A list of respondents is attached at Annex 2.

Methodology

For ease of reference and to provide visibility between the responses and SEEDA's response, this report has been structured using the original questions. It was collated by reading through the written responses and notes from the group consultation events, and then pulling together the key points.

Not unexpectedly, there were often very similar responses to some of 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 clearly informed by the nature of the respondent organisation with a clear split between regional and sub-regional perspectives.

Finally, SEEDA has provided clear responses and stated our position regarding key issues. Although we would not expect every organisation to agree with every response, we hope that respondents will recognise two things: firstly a significant set of planned changes in the direction and positioning of the Business Link service, and secondly a strong correlation between the consultation responses and the planned changes.

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 Business Link still confused and why?

There was a general consensus that the understanding of the Business Link service/brand is improving but is still not clear for a number of reasons including:

- confusion between the activities of the provider organisations and the Business Link service that they operate. This confusion seems to manifest itself most strongly in relation to ‘representation activities’ e.g. partnership meetings where the distinction between remits is sometimes unclear;
- confusion arising from BSSP regarding the relationship between the Business Link brand and the “Solutions for Business” brand that will be attached to the portfolio of publicly funded business support products;
- confusion arising from use of the term ‘IDB’ and exactly what this means;
- the fact that some partner organisations are unclear about the exact role of Business Link is likely to be amplified through to the businesses that they engage with. This does, however also represent an opportunity to clarify the offer through partners;
- the introduction of skills brokerage as part of the Business Link service from April 2009 will require further repositioning in terms of client focus, partner engagement, marketing messages and business processes;
- the Enterprise Gateway service (which sits under the Business Link brand) targets under-represented groups considering business start-up. The marketing and positioning of the service is different from the BL core service and this causes confusion;
- the confusing array of different targets at national, regional and sub-regional levels. There is also concern about the extent to which these targets drive behaviours and affect the impartiality of the service.

SEEDA response:

SEEDA accepts these views and recognises the requirement to clarify the unique role of Business Link to partners and businesses. We need to articulate ‘what Business Link is’ and ‘what Business Link does’ through simplified messages and increased marketing.

Building on the strengths of the current consortium model and feedback from the consultation, SEEDA believes that a single contract for delivery of the Business Link Service would be the most effective way to bring clarity and consistency to the Business Link Service in the region. However, SEEDA is also committed to ensuring that ‘local’ delivery and appropriate local engagement will not be compromised. SEEDA is therefore developing a specification that will reflect this very clear need for regional quality and consistency, coupled with local flexibility, accountability and delivery. The specification will allow for proposals that involve a range of partner organisations (e.g. through a consortium).

Where there are national developments such as BSSP, we will introduce changes to the Business Link service in such a way as to cause minimum impact on the core brand. We will also ensure that these comments feed into the Specification document for the procurement of the new service.

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?

The majority of respondents agreed with the principle of targeting intensive assistance at those clients demonstrating growth potential. However, the following observations should be noted:

- there was a strong feeling amongst some respondents that a sectoral focus was also appropriate (aligned to the South East Business Support Strategy);
- there was a strong feeling amongst some respondents that company size (i.e. a focus on larger businesses) was an important criterion particularly with the addition of skills brokerage responsibilities;
- there were several responses suggesting it was unclear how 'growth' businesses would be identified and targeted but also emphasising the importance of getting targeting and selection right;
- there were also calls for the segmentation criteria to be rigorously applied;
- that any segmentation criteria should be supported by a clear economic rationale that can be understood by partners and stakeholders.

There were also a minority of respondents who were less enthusiastic about targeting I.A.s either at all, or based on economic growth potential:

- need to balance targeting to recognise the differences between growth and survival;
- focus should not be on growth companies. Instead, the interventions should concentrate on market imperfection/failure;
- should be flexible criteria based on economic climate.

SEEDA response:

SEEDA believes that intensive support should be targeted where the potential economic return (in terms of GVA) is maximised. We recognise the need to better define the selection criteria for targeting and engaging with IA clients - ensuring that targeting is applied across the region. We believe that organisation size and sector are sensible criteria but we will seek specific segmentation proposals as part of the tendering process.

SEEDA also accepts that there should be local flexibility to target I.A.s to address local priorities and will pick this up later in this response document.

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?

There were a wide variety of responses to this question, including:

- the need to engage with a wide variety of organisations to capture hard and soft data on 'end user' requirements. Examples cited included HE/FE, Local Authorities, Chambers of Commerce, Trade Bodies, Federation of Small Business, Sector Skills Councils, AOSSEC,ALPSE:
- local delivery will keep the Business Link service plugged into changing needs and requirements of businesses particularly if sectoral advisers are deployed;
- position Business Link as a "trusted partner" for referrals by organisations who engage with businesses;
- apply a more evidence based approach including engaging directly with business groups to test offers, understand needs, delivery mechanisms, changing trends, perceptions etc.
- ensure that innovation and engagement with employers and partners is embedded in new contracting arrangements.

SEEDA response:

SEEDA acknowledges these responses but recognises that approaches need to be more systematic. We will seek specific ideas and responses on this aspect through the Specification document and tendering process.

Question 4 - Should a consistent segmentation and targeting model be applied across the region or should this vary according to sub-regional needs?

Responses to this question ranged from total local segmentation and targeting to total regional segmentation and targeting with the majority view that there should be a regional segmentation model with local flexibility. Specific observations included:

- sub-regional targeting should be driven by very local assessment of needs;
- there should be a consistent model for segmentation with some local flexibility on targeting;
- Social Enterprises need to be treated as a different segment;
- need for consistency but volumes of segments will differ in sub-regions;
- a universal offer negates need for local targeting;
- sub-regional differences are not significant enough to warrant a variety of models.

There was also an observation that for some segments, economic neighbourhoods did not necessarily align with administrative boundaries as definition of sub-regions e.g. high growth businesses operate in intellectual communities which are much wider than boroughs, counties, sub-regions or regions.

SEEDA response:

SEEDA recognises that this is a complex issue. We believe that different types and size of businesses require different types of support. We therefore support the idea that one size does not fit all. However, we also support the view that broadly the same issues will affect the same types and sizes of businesses across the South East - in other words that a proper range of sizes should fit all.

Accordingly, SEEDA believes it is appropriate to set out a regional segmentation model that defines the characteristics of various client groups but encourages flexibility in the targeting of these segments locally to reflect different business demographics.

The emphasis going forward should be to ensure that the core Business Link offer is relevant to entrepreneurs and businesses **of all types** and refocus sub-regional effort on reaching out and engaging different client groups to build usage of the service.

This, together with a clearer segmentation framework, will be reflected in the new service.

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

The response from the consultation was that broadly that the mix of channels seemed appropriate with the following additional comments:

- many responses reflected the opportunity to merge the current six call centres into a regional call centre;
- it is essential to maintain local delivery and presence;
- the need to achieve better integration between businesslink.gov and regional delivery channels;
- scope to further develop the web and telephone channels;
- 1-1 is the principal channel for engaging with Social Enterprises;
- integration of the skills brokerage needs to be seamless.

SEEDA response:

SEEDA agrees with these points but would qualify the point on local delivery - clarifying that this should relate to the event and face to face adviser channels.

We also recognise the potential impact of Transformational Government on the regional Business Link service and will build that into channel capacity planning.

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?

There was an almost unanimous response that it did not appear credible that Intensive Assistance can be delivered without meeting the client on a 1-1 basis. Reflections included:

- other delivery methods are probably 'OK' but it stretches the definition of IA;
- 1-many is more akin to training than Intensive Assistance;
- Business Link should not undertake Intensive Assistance - that is delivery;

SEEDA response:

SEEDA understands that a number of key decisions and actions will need to be taken to make the Business Link service clearer to understand. It is evident that the technical definition of an Intensive Assist, which enables multi channel delivery, is counter-intuitive to most respondents. SEEDA will therefore consider how the IA service could be better shaped to meet the needs of customers through different channels and depth of service. This will be built into the service specification and we will solicit explicit ideas from bidders.

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?

There were mixed responses to this question with some respondents feeling that there should be fewer numbers with higher levels of assistance whereas others felt that if intensive assistance was the most meaningful level of interaction, then the overall numbers should be increased. Specifics were:

- IA must not lead to dependence on the Business Link service;
- the customer should leave "informed" and able to access other agency offers;
- IAs should be more flexible according to client need;

SEEDA response:

We note the wide variety of responses and will be asking bidders to consider how to achieve this balance to enable an increase in both the quality and quantity of IAs.

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

There were a range of views expressed in response to this question:

- through interaction with businesses directly and frontline feedback;
- by engaging with Local Authorities and other providers of business support services regionally and locally;
- promote benefits of supplier matching to suppliers;
- through employer representation bodies e.g. FSB, Chambers of Commerce;
- active engagement with, and inclusion of, the supply base.

SEEDA response:

SEEDA recognises the importance of having a comprehensive understanding of the national, regional and local supply of both private and publicly provided business support services.

We welcome the comments from the consultation and will reflect a stronger emphasis on supply side engagement in the service specification.

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?

The range of responses included:

- the importance of Business Link in providing market intelligence and information to inform provision;
- the central role that Business Link should play in encouraging referrals to and from partners;
- the role vested in Business Link through BSSP as the primary access service and channel;
- mapping provision (particularly publicly funded provision) and disseminating to partner organisations.

SEEDA response:

SEEDA recognises the importance of market intelligence to inform service development. We will consider the role of the Business Link service in providing such intelligence in the context of the new Regional Customer Relationship Management and Information System (RCRMIS) and the switch in responsibilities from Business Link providers as the operators of sub-regional CRM systems to users of the regional system.

As in Questions 3, and 8, it is vital that the Business Link service is firmly plugged into regional publicly funded business support to inform both service development and to fulfil the role of primary access channel.

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

Many of the responses to this question reflected points that were captured elsewhere in the consultation document. The requirement for the Business Link service to remain engaged with local partners came across very strongly. Additional points included:

- Business Link should remain focussed on Information, Diagnostic, and Brokerage (IDB) only;
- there should be minimum overlap between Business Link and other activities;
- the Business Link service needs to align with sub-regional accountability arrangements at an appropriate level;
- the service needs to be flexible to reflect local economic development priorities;
- the service needs to recognise that local needs have been “democratically prioritised”;
- the sub-regional structure of six providers frustrates coherence;
- SNR requires business support to be accessed and delivered where businesses are located.

SEEDA response:

SEEDA recognises that some of the issues identified in response to Question 1 are partly a reflection of the lack of clarity and structure in relation to the wider partnership engagement activity currently undertaken by the Business Link providers.

Providing a clear rationale, process and structure for engagement should form part of the solution and SEEDA proposes to ensure the following:

- clear blue water between the Business Link service and any other activities of the provider organisation to avoid confusion between roles
- shared responsibility with sub-regional partners in the targeting of some IAs and the planning of events to reflect local priorities

SEEDA is also considering options for significant partner influence over the shape of the service, e.g. giving some responsibility to sub-regions to enable additional sponsorship of Business Link services in line with local priorities and to encourage financial leverage.

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?

There were a range of responses to this question from indicating significant scope for improvement through to very good. There was some consensus around an improving rather than deteriorating quality of engagement.

SEEDA response:

We will be seeking a considered and structured partnership engagement strategy as part of the service specification. SEEDA wishes to encourage partnerships based on mutual interest in providing better support to businesses. We want to build on the best of partner engagement and minimise any low value or unproductive activity.

The Business Link service engagement with formal partnerships will similarly be predicated on a clear understanding of roles, benefits and contribution rather than assumed on a “standing” basis.

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

A majority of responses supported the proposition of a presumption against brokering to brokers but with the provision for exceptions;

- keep the customer journey as simple as possible;

SEEDA response:

SEEDA believes that the customer journey should be as short as possible without compromising the quality of advice or service.

The central issue that needs to be resolved is trying to determine where generalist brokerage should end and specialist brokerage should begin. Currently, there is no consistency in logic for, or deployment of, specialist brokers across the region. Some respondents cited exceptions for specialist brokerage such as innovation or finance but that poses the question of why not HR, marketing or strategic planning.

SEEDA will continue to consider this issue in relation to the related issue of generalist adviser skills.

Question 13 - Should the skill set of Business Link 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)?

The majority of responses supported a general up-skilling of advisers although, as with the previous question, there was no clarity on where the minimum levels of knowledge and skills should be set:

- strong diagnosis needed - other skills can be pulled in behind;
- service needs to be able to deal with more complexity;

- need to be good GPs but not specialists - consistency is important;
- brokered solutions will also provide further specialist diagnostics;
- skills levels should be commensurate with the requirements of the client base;
- BL advisers cannot be experts in everything

SEEDA response:

SEEDA is constantly working to improve the knowledge and skills of the Business Link Advisors and is committed to continuing and strengthening this trend under the new arrangements.

The RDAs have collectively agreed to develop a process to enable this to be delivered nationally and SEEDA will play a full part in ensuring that this is applied in the South East as soon as possible.

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

The general principle of leveraging additional funding from other sources to supplement core SEEDA funding was widely accepted although there were few specific examples cited. It was also evident that any leveraged funding would need to be quite targeted;

- yes to principle but with clear return on investment to funder;
- idea is good but only for local initiatives - needs to be coterminous with local authority boundaries;
- yes to support local priorities;
- yes but Business Link “game” would need to be lifted substantially to attract investment;
- no - either government funded or not;
- Local Authorities and others are more likely to invest in the end services rather than the Business Link access service;

SEEDA response:

We recognise that any investment in the Business Link service sub-regionally will be predicated on supporting local priorities and procuring additional Business Link services to support these priorities. This in turn will require transparency of core resources and targets locally to clearly identify and report additionality. We will build this into our future Business Link model

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?

Responses to this question were mixed with no emerging consensus on a single best way for the Business Link service to be influenced locally. Responses included:

- make use of existing structures;
- engagement with local partnerships will be important;
- use of MOUs and SLAs to manage mutual obligations;
- ensure strong business representation on steering groups;
- stronger use of Strategic Regional Partnerships.

SEEDA response:

We note the responses and will consider further the current mechanisms to ensure that good practice is carried into the new operating model.

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?

As the final question in the consultation, respondents used this question to re-emphasise the key points made throughout the rest of the document as follows:

- engaging with and listening to local business groups;
- ensure consistency in brand and messaging;
- defend the impartiality and independence of the Business Link service;
- value of local and regional partnerships and physical presence of Business Link at these;
- high quality front end - competent advisers;
- remember that primary access channel does not mean only access channel;

SEEDA response:

We note these responses and have covered these points in earlier responses.

Annex 1

Glossary

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
MOU	Memorandum of Understanding
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
SLA	Service Level 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

Annex 2**List of organisations represented at the consultation events**

ACTVaR (Association of Councils of Thames Valley Region)
Berkshire Economic Strategy Board
Bracknell Forest Borough Council
Brighton & Hove City Council
Brighton & Hove Economic Partnership
Buckinghamshire Community Action
Buckinghamshire County Council
Buckinghamshire New University
Business Community Partnership
Business Link Berkshire
Business Link Hampshire IoW
Business Link Kent
Business Link MKOB
Business Link Surrey
Business Link Sussex
Business Southampton
Business Support Kent / Business Link Kent
Canterbury City Council
Central Sussex College
Centre for Enterprise & Business Development, Canterbury Christchurch University
Channel Chamber of Commerce
Chichester Chamber of Commerce & Industry
Christ Church Canterbury University
Community Action Hampshire
Community Council for Berkshire
Connect Reading
Constructor Skills
DEFRA SFFS Board (SE)
Dover District Council
East Berkshire Education Business Partnership
East Hampshire District Council
Eastbourne & District Enterprise Agency
Eastbourne Borough Council
Eastleigh Borough Council
EISC
Enterprise Trust
Euro Information Centre
Exemplas Holdings Ltd
Fareham Borough Council
Federation of Small Businesses Surrey & West Sussex Region
Forum of Private Business
FSB
Gatwick Diamond Enterprise Hub
Gravesham Borough Council
Great Western Enterprise
Guildford Borough Council
Guildford College
Hampshire Chambers of Commerce
Hampshire County Council
Hampshire Economic Partnership

Hants & Isle of Wight LSPA
Hastings, Chamber of Commerce / Ten Sixty Six Enterprise
Havant Borough Council
Higher Education South East
Hillier Nurseries Ltd / LSPA
Horsham District Council
Inbiz
Institute of Directors
Institute of Directors West Surrey
Invest Milton Keynes
Jobcentre Plus
Kent County Council
Kent Economic Board
Kent Invicta Chamber of Commerce
Kiki Maurey Consultancy Limited
Learning & Skills Council
Leatherhead Food International
Locate in Kent
Marine South East
Medway Borough Council
Medway Enterprise Hub
Milton Keynes & North Bucks Chamber
Milton Keynes Community Enterprise CIC
Milton Keynes Economic and Learning Partnership
Mole Valley District Council
New Forest District Council
North Hampshire Chamber of Commerce & Industry
Oxford Brookes University
Oxfordshire City Council
Oxfordshire Economic Partnership Ltd
Portsmouth & South East Hampshire Chamber of Commerce & Industry
Portsmouth City Council
RAISE
Royal Borough of Windsor & Maidenhead
Royal Holloway, University of London
SE2 Partnership
Sea Space
SEEDA
SERTUC / SDF
SETsquared
Skills for Productivity Alliance
Skills South East
Social Enterprise Berkshire
Social Enterprise Loan Fund
South East Economic Partnerships
South East England Chambers of Commerce
Southampton and Fareham Chamber of Commerce & Industry
Southampton City Council
Southampton University
Sparsholt College
Spelthorne Borough Council
Surrey Chamber of Commerce
Surrey Economic Partnership
Surrey Enterprise Hub

Swale Borough Council
Technology Enterprise Kent
Teleconnexion Ltd
Thames Gateway Kent Partnership
Thames Valley Enterprise Hub Ltd
Thanet and East Kent Chamber Ltd
The Business Community Partnership
The Vale Training Group
Tourism South East
Train to Gain South East
TSELF
Tunbridge Wells District Council
Ufi
UKTI
University of Greenwich in Medway
University of Kent
University of Portsmouth
University of Surrey
Waverley Borough Council
West Kent College
West Kent Partnership
West Kent Partnership
West Oxfordshire District Council
West Sussex County Council
West Sussex Economic Partnership
Woking Asian Business Forum
Woking Borough Council
Wycombe District Council

List of organisations that responded in writing to the consultation document

Arts Council
Arun District Council
BELP
BLS (Surrey) Board
Bracknell Forest Borough Council
Brighton and Hove City Council
Brighton and Hove Economic Partnership
Brooklands College
Buckinghamshire County Council
Business Link Consortium
Canterbury City Council
Chichester District Council
Chiltern District Council
Creative Foundation
East Sussex County Council
East Sussex Enterprise Hub
Eastbourne Borough Council
EDEAL
EEF
Enterprise First
Gatwick Diamond Enterprise Hub
Greenwich University

Guildford Borough Council
Guildford College
Hampshire County Council
Horsham District Council
Hovertravel
Institute of Directors
Isle of Wight Chamber
Kent Economic Board
Learning and Skills Council
London Technology Network
Medway Council
Medway Enterprise Hub
Milton Keynes Economic and Learning Partnership
Milton Keynes Institute of Directors
Mole Valley District Council
NFDC
Oxford City Council
Oxfordshire Economic Partnership
PUSH
RAISE
Reigate and Banstead Borough Council
Royal Borough of Windsor and Maidenhead Borough Council
SE Chambers
SE2 Partnership
SEMN
Shepway District Council
Sittingbourne Enterprise Hub
Skills South East
Social Enterprise Berkshire
South East Economic Partnerships
Stuart Jones Associates
Summit Skills
Surrey Chamber
Surrey County Council
Surrey Economic Partnership
Surrey Heath
Surrey Hub
Sussex Enterprise
Tourism South East
University of Chichester
University of Surrey
West Sussex County Council
West Sussex Economic Partnership