

**BUSINESS SUPPORT SIMPLIFICATION
PROGRAMME**

Impact Assessment

DECEMBER 2007

Summary: Intervention & Options

Department /Agency: Department of Business Enterprise and Regulatory Reform	Title: Impact Assessment of the Business Support Simplification Programme (BSSP)	
Stage: Consultation Stage	Version: 2.3	Date: 14 December 2007
Related Publications: "Simplifying Business Support" – A consultation: June 2007 "Initial Response to the Consultation on Simplifying Business Support" to accompany the PBR		

Available to view or download at:

<http://www.berr.gov.uk/files/file42813.pdf>

Contact for enquiries: **Barrie Stevenson**

Telephone: 020 7215 0319

What is the problem under consideration? Why is government intervention necessary?

The problem under consideration is the proliferation of publicly-funded business support schemes. These are generally designed to address market failures, equity and/or environmental considerations. The proliferation of business support schemes (it is estimated that there are currently about 3000 publicly-funded business support schemes available in England) results in confusion for business and discourages take-up of support. In addition, the complexity of access, delivery, and marketing results in inefficient use of public resources and a disproportionate burden on business. Given that Government is the source of the problem, it is best placed, in consultation with key stakeholders, to address the problem.

What are the policy objectives and the intended effects?

To reduce duplication by limiting the occurrence of overlapping services and establishing consistent frameworks for the access, delivery and marketing of publicly funded business support in order to: reduce the amount of time spent by business in searching for and understanding business support; achieve efficiencies in the provision of publicly-funded business support; and increase its effectiveness. The review of publicly funded support should help focus resources on higher impact schemes and in addition, the establishment of a consistent monitoring and evaluation framework should ensure that public funds are focussed where they offer the greatest benefits in future.

What policy options have been considered? Please justify any preferred option.

Overall, and within each of the five workstreams for the simplification of business support (products and services; access; delivery; marketing and branding; and governance), two options were considered:

1. Do nothing;
2. Simplify the current picture by working with Government Departments, Regional Development Agencies and Local Authorities to create a shared framework for the future business support the public sector will fund and determine how it will be deployed.

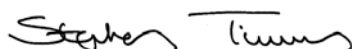
When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

A review should be carried out five years after the implementation of the Programme. There will also be a detailed Monitoring and Evaluation Framework

Ministerial Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Date: 18 December 2007

Summary: Analysis & Evidence

Policy Option: 2

Description: Simplify the current picture by working with Government Departments, Regional Development Agencies and Local Authorities to create a shared framework for the future business support the public sector

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' Costs to public sector: Strategic Management Board (£320k per annum) and training Business Link advisers (£1.8m – £2.6m one-off cost). Staff and Communication costs estimated at £3m up to end 2007 and £1m per annum for 2008 and 2009.	
	One-off (Transition)	Yrs		
	£ 6.8 m – 7.6 m	3.5		
	Average Annual Cost (excluding one-off)			
	£ 320 k	Total Cost (PV)		£ 10 - 12 m over 10 yrs
Other key non-monetised costs by 'main affected groups' Monitoring and evaluation framework: Costs to public sector of developing this and costs to business of providing monitoring data. The framework is in the early stages of development and we will ensure that any burdens on business are not disproportionate.				
BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' Benefits to business from increased impact of support estimated to be in the range £200 m - £1,400 m per annum. Benefits to business from reduction in time spent looking for and understanding business support: £230k - £1.4m per annum.	
	One-off	Yrs		
	£			
	Average Annual Benefit (excluding one-off)			
	£ 200 m – 1,400 m	Total Benefit (PV)		£ 2 – 14 bn over 10 yrs
Other key non-monetised benefits by 'main affected groups' The public sector should also benefit through greater efficiencies achieved in delivering support as well as through the marketing and branding of support.				

Key Assumptions/Sensitivities/Risks

Price Base Year	Time Period	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £		
What is the geographic coverage of the policy/option?		England			
On what date will the policy be implemented?		from March 2008			
Which organisation(s) will enforce the policy?		OGDs, RDAs, LAs			
What is the total annual cost of enforcement for these organisations?		£ negligible			
Does enforcement comply with Hampton principles?		N/A			
Will implementation go beyond minimum EU requirements?		N/A			
What is the value of the proposed offsetting measure per year?		N/A			
What is the value of changes in greenhouse gas emissions?		N/A			
Will the proposal have a significant impact on competition?		No			
Annual cost (£-£) per organisation (excluding one-off)		Micro 0	Small 0	Medium 0	Large 0
Are any of these organisations exempt?		N/A	N/A	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)

(Increase - Decrease)

Increase

£ N/A

Decrease

£ TBD

Net Impact

£ -TBD

Key:

Annual costs and benefits: Constant Prices

(Net) Present Value

