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# Local Authority Demonstrators

## Final Report

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Produced by

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**BERR**

Department for Business  
Enterprise & Regulatory Reform

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## Appendices

Cornwall County Council

Croydon London Borough

Newham London Borough

Nottingham City Council

# 1 Lessons Learnt and Possible Solutions

- 1.1 The demonstrators have found no insurmountable barriers to implementing Solutions for Business at the local level.
- 1.2 There is a risk to transition being completed across all Local Authorities (LAs) by the end of March 2010 given the time taken to achieve effective working relationships across only a small number of demonstrators.

## Recommendation 1

That Regional Development Agencies (RDAs) should consider on a case by case basis (with their respective Regional Relationship Manager) formulating contingency plans to ameliorate the risk of a number of Local Authorities or their existing delivery partners being unconvinced about the benefits of working towards business support simplification. Consideration should also be given to how Government Offices (GOs) can be utilised by RDAs in promoting Solutions for Business to Local Authorities and their delivery partners.

- 1.3 When there is an effective relationship and trust between organisations it produces tangible benefits. For example, Nottingham City Council, in partnership with Business Link, devised a sub-contracting business model to deliver services in disadvantaged areas on their behalf which worked extremely well.

## Recommendation 2

That this model could be used in other areas.

- 1.4 When dealing with an authority and its delivery partners who are relatively new to Solutions for Business it is essential to ensure that all partners are informed and willing to work with new partners before trying to implement change.
- 1.5 Developing productive relationships between RDAs and Local Authorities can be very resource intensive.

## Recommendation 3

That the Government Offices might be able to play a useful intermediary role in individual negotiations between RDAs and Local Authorities, where necessary.

- 1.6 All RDAs have clearly defined processes for facilitating Local Authority engagement, but those processes tend not to give much information on the depth of the relationship.

## Recommendation 4

That the Government Office could play a regular, formal role by providing an independent assessment to the Chair of the Solutions for Business Transition Management Board on the depth of such relationships, as necessary. This could be linked to the bi-monthly Solutions for Business/RDA highlight reporting structure.

- 1.7 With time and resources it is possible to build trust and effective working relationships between Local Authorities and Business Link, where there had previously been scepticism.

Recommendation 5

That Business Link should, as appropriate, consider the more extensive use of Memoranda of Understanding (MOU) with Local Authorities as an effective mechanism for establishing mutual trust and coordination.

- 1.8 The demonstrators have not revealed any funding stream with rules or guidance preventing its spending in line with Solutions for Business. However, the range of funding streams (European Union, Local Authority, Regional, Local Enterprise Growth Initiative or LEGI, etc) requires significant resource to achieve effective coordination between the various funding bodies at local level.

Recommendation 6

That European Regional Development Fund (ERDF) guidelines should be updated and clarified to reflect existing Solutions for Business policy, as part of the ongoing process to ensure that all future funding streams that relate to business support are Solutions for Business compliant.

- 1.9 In order to ensure that commissioning processes are sensitive to local as well as national or regional delivery, it is essential to achieve local buy-in before the commissioning process starts. There must, at the same time, be clear separation from the process of those who might tender to deliver part of the end result.
- 1.10 Several demonstrators expressed a desire for more coordination and sharing of best practice on Solutions for Business issues beyond their specific regional or local focus. This aligns with the conclusions of the Sub National Review which sought improved coordination and collaboration between the various partners.

Recommendation 7

The Solutions for Business, Business Support Simplification Programme should therefore develop a system to facilitate strategic and coordinated Local Authority engagement with Solutions for Business and adoption of Solutions for Business policy frameworks. This system should embrace LEGIs and Authorities establishing Economic Development Companies.

## 2 Introduction

- 2.1 The demonstrators arose from an Office of Government Commerce (OGC) recommendation that the Business Support Simplification Programme/Solutions for Business should be tested to ensure it met the needs of partners. The idea was that the demonstrators would test how aspects of policy worked on the ground so that the lessons could be shared. In practice, it has not been possible to test many aspects of policy because of the need to build relationships (and therefore trust) and build understanding of Solutions for Business in the demonstrator areas.
- 2.2 It is also important to bear in mind the very small number of authorities we worked with as demonstrators and not to draw too fixed conclusions about the majority from such a small sample. Equally, many of the issues raised will not necessarily be new but a reaffirmation of the existing landscape and the challenge we collectively face.
- 2.3 We encountered very different relationships between Local Authorities and RDAs, and the demonstrators seem to show that the nature of these relationships is key to the delivery of Solutions for Business. Several relationships (both between Local Authorities and RDAs, as in Cornwall, Newham and Lincolnshire, and Local Authorities and Business Link, as in Croydon) have improved as a result of the demonstrators. We attribute this to the time and effort devoted by all parties to making the relationships work. In a number of cases the demonstrators were more concerned with developing productive interrelationship between the various parties, most notably the RDA (and its Business Link) and the Local Authority.
- 2.4 It is important not to make to broader a generalisation on the basis of 6 demonstrator activities. However, it is reasonably clear from this activity and from RDA/Local Authority engagements generally as part of the BSSP transition management process, that developing productive, trustworthy relationships can be resource intensive and requires time to evolve. There appears to be no “magic bullet” or shortcut to fostering better cross organisational relationships, just a willingness to engage and cooperate.
- 2.5 In the design phase of demonstrators BERR engaged a consultant to kick start the process, and whilst the consultant added some value in Local Authority identification, the engagement phase was not deemed particularly successful (despite the consultant’s best endeavours) and caused some delays. In most cases, the respective parties seemed to prefer to engage directly with each other rather than via a private sector consultant. As such the early work on demonstrators was rather a false start but the outcome was positive in that showed that whilst each party had it own perspectives there was a general desire to engage directly on the issues.

## 3 Key Themes

### 3.1 Relationships

- 3.1.1 Relationships between the RDA and Local Authority or Local Authority and Business Link have proved crucial in these demonstrators. Naturally we encountered different levels of relationship and degrees of trust between various organisations, as well as different levels of understanding of Solutions for Business itself. The differing nature of these relationships and local contexts had significant impact on most of the demonstrators.
- 3.1.2 Anecdotally, it would appear that most Local Authorities do not appear to have particularly deep or substantial involvement with Solutions for Business. The low take up by Local Authority CEOs at the recent regional dinners with Martin Temple might be a further indication of this.
- 3.1.3 Given the overall lower than expected awareness level of Solutions for Business among the majority of demonstrators, our role was initially two fold. Firstly, particularly with Newham, Croydon and Cornwall, to act as a “broker” or relationship builder between the RDA or Business Link and the particular Authority, and secondly, to assist in bringing the Authorities up to speed regarding Solutions for Business’s “conceptual” policy positions. The latter was rather a delicate task without the required depth of relationship between the RDA and specific Authority.
- 3.1.4 A meeting of the Lincolnshire demonstrator was recently held to discuss the various interactions between Business Link and other local tourism providers. It was clear that awareness of Solutions for Business was very low among some of the key local players. This is a further illustration of the resources issue and the amount of work to be still done.
- 3.1.5 **All RDAs have clearly defined processes for facilitating Local Authority engagement, but those processes tend not to give much information on the depth of the relationship.**

#### **Recommendation 4**

- **We recommend that the Government Office could play a regular, formal role by providing an independent assessment to the Chair of the Solutions for Business Transition Management Board on the depth of such relationships, as necessary. This could be linked to the bi-monthly Solutions for Business RDA highlight reporting structure.**
- 3.1.6 The benefits could be twofold, first the Independent Chair would receive a broader perspective on transition issues; second it would provide Local Authorities (and sub regional partnerships) with an independent channel of communication where insurmountable difficulties in RDA Local Authority relationships occur.
- 3.1.7 Additionally some Authorities, whilst recognising the primary access role of Business Link, have historically been involved in end to end delivery of services to

their local communities, which by definition has involved the integrated provision of both diagnostics and services. One sensed that at a local authority level the conceptual separation between IDB and Solutions for Business services is not necessarily well understood, or possibly, adhered to.

- 3.1.8 The demonstrators have shown that developing sufficient trust between the various local players essentially relates to managing level of risk and the expectations of interacting parties involved. A lesson from the demonstrators is that co-ordination (shared risk) between the various regional and local players is critical if we are to achieve a more simplified business support landscape for business customers. At the same time, however, the BSSP process is somewhat light on, or reticent to use “hard” or direct levers to achieve that aim. If it becomes necessary to use contractual arrangements to effect change, this will take considerable time to work through the system and may be a barrier to achieving transition by the end of March 2010.
- 3.1.9 Given the scale of the task faced by many RDAs due to the large number of Local Authorities in their area, it would seem open to question as to how quickly some RDAs will be able to develop sufficiently productive relationships with their Local Authorities during the remaining year of the transition process. This of course is not to question their individual ability or commitment to achieving the transition objectives, but simply a recognition of the nature and scale of the task they face given the experience with the demonstrators.
- 3.1.10 **There is a risk to transition being completed across all Local Authorities by the end of March 2010 given the time taken to achieve effective working relationships across only a small number of demonstrators.**

#### **Recommendation 1**

- **We recommend that RDAs should consider on a case by case basis (with their respective Regional Relationship Manager) formulating contingency plans to ameliorate the risk of a number of Local Authorities or their existing delivery partners being unconvinced about the benefits of working towards business support simplification. Consideration should also be given to how Government Offices’ (GOs) can be best utilised by RDAs in promoting Solutions for Business to Local Authorities and their delivery partners.**

- 3.1.11 The Government Office for the South West was able to act as a neutral intermediary during the Cornwall demonstrator, which worked very well.
- 3.1.12 **Developing productive relationships between RDAs and Local Authorities can be very resource intensive.**

#### **Recommendation 3**

- **We recommend that the Government Offices might be able to play a useful intermediary role in individual negotiations between RDAs and Local Authorities, where necessary.**

3.1.13 At the start of the demonstrator project, some of the relationships with Business Link (particularly in London) were difficult because of reputational issues. However, Croydon (and to a lesser extent issue Newham) have demonstrated how effectively these relationships can be fostered with willingness on both sides.

3.1.14 **With time and resources it is possible to build trust and effective working relationships between Local Authorities and Business Link, where there had previously been scepticism.**

#### **Recommendation 5**

- **We recommend that Business Link should, as appropriate, consider more extensive use of Memoranda of Understanding (MOUs) with Local Authorities as an effective mechanism for establishing mutual trust and coordination.**

3.1.15 Nottingham City Council's Enterprise Ecology project demonstrates what can be achieved when trust has been established between a Local Authority and the Business Link. For this pilot project, they contracted the regional Business Link provider to deliver for them. Business Link in turn sub-contracted to local delivery partners (in agreement with Nottingham City Council) which had relationships on the ground in the specific wards to be targeted. On the evidence provided by Nottingham and East Midlands Development Agency (emda) this model has worked extremely well. It does not seem to have raised any concerns about conflict of interest; namely Business Link being viewed as providing both IDB and Solutions for Business products.

3.1.16 This could be considered as a delivery model that optimises the Business Link's regional networks for a specific Local Authority requirement for the benefit of customers. The formal Business Link subcontracting model could well be replicated elsewhere (and whilst not identical, this collective approach to delivery is being discussed in Tees Valley).

3.1.17 **When there is an effective relationship and trust between organisations it produces tangible benefits. For example, Nottingham City Council, in partnership with Business Link, devised a sub-contracting business model to deliver services in disadvantaged areas on their behalf which worked extremely well.**

#### **Recommendation 2**

- **We recommend that this model could be used in other areas.**

3.1.18 Tees Valley Unlimited (TVU) has proposed developing an innovative model for embedding the Business Link as the primary access channel in the region. The Tees Valley region covers five local authorities: Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton on Tees. Business Link and the TVU/Local Authorities would jointly agree the impacts (GVA, VAT registrations etc) that they are collectively seeking to achieve. Then each partner would establish what its specific contribution each would make to achieving the overall impacts. Thus, the delivery of the Business Link objectives and outcomes will be part of a

collectively coordinated approach, which each party having clarity over its contribution.

- 3.1.19 This nascent model would establish the Business Link as the primary access channel in the region and could, in turn, be used collectively to agree the focus of Solutions for Business activity. Given the potential linkage, initial discussions are taking place to consider if the TVU could act as a Local Authority pilot for the Solutions for Business Performance Measurement Framework.
- 3.1.20 Newham was approached as a relatively uninformed Council on Solutions for Business and this proved to be correct. Newham had a long standing relationship with its local enterprise agency, the East London Small Business Centre (ELSBC). It took considerable time to explain the advantages of Solutions for Business and, in particular, working with Business Link, before a Memorandum of Understanding could even be discussed.
- 3.1.21 However, during the course of the demonstrator, Newham and the London Development Agency (LDA) have significantly enhanced their relationship such that the Council have made the open offer that they would be willing to consider further piloting work of Solutions for Business issues going forward. In one sense this is a significant achievement as prior to the demonstrator contact between the two organisations was minimal, but on the other it shows the resource intensive nature of formulating such relationships in complex local environments.
- 3.1.22 **When dealing with an authority and its delivery partners who are relatively new to Solutions for Business it is essential to ensure that all partners are informed and willing to work with new partners before trying to implement change.**
- 3.1.23 If this fails, the only real lever is to put the requirement to work with Business Link into contracts when they come up for renewal.

## 3.2 Funding Streams

- 3.2.1 One of the original objectives of the demonstrator project was to look at two particular aspects of funding; firstly to test the fit of Solutions for Business with multiple funding streams, e.g. European funding, and secondly, to test the fit in an area which received substantial LEGI funding. Croydon was partly chosen because of its receipt of LEGI funding and Cornwall is an Objective 1 area which is now receiving large amounts of Convergence funding.

### LEGI funding

- 3.2.2 We asked the Croydon demonstrator to look at whether there was any incompatibility between the Business Support Simplification Programme and guidelines on how LEGI funding should be spent. The Croydon demonstrator reported that as LEGI funding is now channelled through Area Based Grant<sup>1</sup> which

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<sup>1</sup> Area Based Grant is a general grant allocated directly to local authorities as additional revenue funding to areas. It is allocated according to specific policy criteria rather than general formulae. Local authorities are

local authorities can spend according to local needs, there was no incompatibility with BSSP principles. Having the political backing of local councillors was significant for Croydon, both in terms of using the LEGI funding on providing business support but also in adopting Solutions for Business. Interestingly, political will was not mentioned in any of the other demonstrators. However, this may become increasingly important as transition proceeds and closures begin in earnest.

- 3.2.3 The most significant issue that LEGI money produced in Croydon is that of working with Business Link. LEGI funding has allowed Croydon Council to put substantial resource into local provision of Information, Diagnostics and Brokerage (IDB), including building significant brand recognition around Croydon Enterprise and Croydon Business. This runs counter to Solutions for Business policy of Business Link as the primary access channel. The effective and productive working relationship which has been developed over the course of the demonstrator that these issues can be resolved to mutual satisfaction with trust and willingness on both sides.

#### European Funding

- 3.2.4 The Convergence Programme for Cornwall and the Isles of Scilly will be providing more than €500m between 2007 and 2013. Part of the demonstrator was to test that the commissioning process was sensitive to local as well as national or regional delivery where this is appropriate in meeting local needs. Cornwall County Council wanted Cornwall Enterprise to do this on their behalf, but, because Cornwall Enterprise were expected to tender for some of the contracts they could not be directly involved in the commissioning process (or in shaping the process before commissioning began) as this would have been a conflict of interest. A compromise was eventually found in that a Councillor from another Cornwall council was put onto the commissioning panel as a representative from Cornwall.

- 3.2.5 **In order to ensure that commissioning processes are sensitive to local as well as national or regional delivery, it is essential to achieve local buy-in before the commissioning process starts. There must, at the same time, be clear separation from the process of those who might tender to deliver part of the end result.**

#### Duplication of Funding

- 3.2.6 Equally, the complex nature of the national, regional and local funding arrangements this is bound to cause some friction over operational or control issues. Based on the demonstrators (Nottingham, Lincoln, Tees Valley, Croydon) it appears that given sufficient goodwill of the parties involved, local agreements can

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free to use all of this non-ringfenced funding as they see fit to support the delivery of local, regional and national priorities in their areas. Government has significantly increased local authorities' flexibility over the use of their mainstream resources by moving over £4bn of grants into the new non-ringfenced Area Based Grant (ABG). This will minimise the barriers to local authorities using their mainstream resources to support local priorities where they wish to do so.

be made to minimise the level of potential duplication that may occur in the provision of Government funded business support.

- 3.2.7 Newham provides funding to the ELSBC for the provision of outreach activities to the local community. The ELSBC are a long established (30 years) and well regarded Enterprise Agency with a good track record of delivery to disadvantage communities in the area. The LDA also provides funding to ELSBC as part of its Business London initiative, designed to provide dedicated support to start up and micro businesses. How this effectively interfaces with the Business Link core offer is not particularly clear and it appears to provide a rather complex customer journey into Government funded support. The LDA recognise this and Business London will be rebranded using Solutions for Business in due course.
- 3.2.8 **The demonstrators have not revealed any funding stream with rules or guidance preventing its spending in line with Solutions for Business. However, the range of funding streams (EU, Local Authority, Regional, LEGI etc) requires significant resource to achieve effective coordination between the various funding bodies at local level.**

#### Contractual Funding difficulties

- 3.2.9 It is worth mentioning that the Nottingham Enterprise Ecologies project was nearly derailed (in fact it was derailed in Derbyshire) by a last minute fee being added on by East Midlands Business. What caused Nottingham County Council such problems was that the fee was only mentioned at a very late stage of the contractual negotiations. This issue was only resolved when emda agreed to absorb the fee.

### **3.3 Branding**

- 3.3.1 As the Solutions for Business branding was being developed while the demonstrator project was going on, none of the demonstrators were able to look at the application of the branding guidelines in practice. However, a couple of demonstrators touched on the subject as set out below.
- 3.3.2 The Croydon demonstrator highlighted some uncertainty about when phasing of standard branding should begin. Croydon Business as a delivery partner wants to ensure that they are implementing the policy, but there are no guidelines or specifications within the ERDF programme documentation about introducing standards on materials that will be 'live' for the next few years. There is, however, guidance on how to place the EU logo in Solutions for Business branded material which is partly funded by European money.

#### **Recommendation 6**

- **We recommend that ERDF guidelines should be updated and clarified to reflect existing Solutions for Business policy, as part of the ongoing process to ensure that all future funding streams that relate to business support are Solutions for Business compliant.**

- 3.3.3 Croydon Business also produces some promotional material in partnership with the private sector and was unclear about how the Solutions for Business branding guidelines will work in practice with the demands of private sector funders for use of their own brand.
- 3.3.4 Nottingham City Council took an eminently practical position on branding of their Enterprise Ecologies project. As the pilot was grounded in the community, the decision was taken not to develop a separate brand for it. The publicity material used (example included in the Nottingham Appendix to this report) focussed on individual community outreach workers, likely to be known in the relevant areas, and the Business Link brand. The material does not include the Solutions for Business brand, which had not been developed when the pilots started. Emda see the Business Link brand as the gateway to business support and the products that sit behind this providing a seamless service to the client.

### **3.4 Improved Coordination**

- 3.4.1 Lastly, several demonstrators expressed a desire for be greater levels of coordination and sharing of best practice on Solutions for Business issues, for example, across existing organisational boundaries. Most of the demonstrators were fairly well versed on activities within their respective areas but there was a hunger for information on activities and processes from a broader spectrum of authorities. Equally, where there are such forums (for example LEGI events) the linkages to Solutions for Business could possibly be strengthened. This seems to chime with the broad thrust of the SNR review which concluded that there should be greater collaboration, co-ordination and co-investment between central, regional and local government to support business and local economic growth.

#### **Recommendation 7**

- **The Solutions for Business, Business Support Simplification Programme should therefore develop a system to facilitate strategic and coordinated Local Authority engagement with Solutions for Business and adoption of Solutions for Business policy frameworks. This system should embrace LEGIs and Authorities establishing Economic Development Companies.**

## Background

3.4 We aimed for a range of types of authority and levels of knowledge of the programme. For example, London Borough of Croydon were fully engaged with the LDA on BSSP and had a seat at the Regional Transition Management Board, whereas London Borough of Newham was deliberately chosen as an authority which knew little of the programme, to see if this produced any different issues.

3.5 The six demonstrators chosen were:

<b>Authority</b>	<b>Region</b>
Cornwall County Council	South West
Croydon LB	London
Lincolnshire County Council	East Midlands
Newham LB	London
Nottingham City Council	East Midlands
Tees Valley MAA	North East

3.6 Overall, the demonstrators worked best where there was a recognisable issue or problem that some or all partners wished to address. This was particularly the case in Cornwall Croydon, Newham, and Nottingham. Reports from the lead organisations are included in the Appendices to this report.

3.7 In the short term, Tees Valley and Lincolnshire proved less productive but in both cases this was due to the nature of the demonstrator and the local circumstances. The Tees Valley demonstrator was part of a longer term activity to develop a new or revised Multi Area Agreement incorporating business support elements by 2010. The demonstrator was to consider the emerging Business Link model and the contribution each Local Authority could make in establishing collective performance targets and outcomes. However, the work did not progress in the timescale envisaged due to Tees Valley Unlimited's decision to focus on applying for City Region Forerunner status. The collective Business Link model is mentioned in the proposal. Additionally, due to the focus on Business Link targets and performance measurement, Tees Valley are considering how they could assist in piloting the Solutions for Business Performance Measurement Framework with Local Authorities.

3.8 Lincolnshire County Council had taken some time to agree the specific issue which could add some value to the process. Lincolnshire suggested that they could consider how Solutions for Business meets the needs of the Tourism sector. In particular how Business Link, Learning and Skills Council and Lincolnshire Tourism work together to support the sector. The aim was to develop a local agreement (MOU or similar) to improve co-ordination between the local players. However, awareness of Solutions for Business among some of the participants was rather low

and, given that they are entering a peak delivery period, the demonstrator was placed on hold for the time being.

- 3.9 There were also some discussions with the Thames Gateway Kent Partnership with a view to their involvement in the demonstrator activities. However, due to timing and resource issues this did not evolve past the discussion stage.

Solutions for Business  
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## Cornwall Demonstrator Final Report

The Cornwall Demonstrator Project was designed to test the fit of the European Regional Development Fund Convergence Operational Programme (Convergence OP) in Cornwall and the Isles of Scilly with the national Business Support Simplification Programme (BSSP) in terms of product design, access, branding and local delivery. Please see Annex 1.

Representatives from Cornwall County Council, Government Office for the South West, South West RDA, EU Convergence Team, Cornwall Enterprise and BERR have held various meetings over the past six months.

Primarily there were three issues identified at the outset:

1. perceived lack of communication between the RDA and Cornwall Enterprise and
2. entry criteria for the Coaching for Impact Product would not work for Cornish businesses
3. no support to exploit ICT

Issues were resolved as follows:

1. Cornwall Enterprise had both a strategic role in developing business support strategy on behalf of Cornwall County Council, but were also prime deliverers of business support. Therefore, under EU regulations they could not be involved in any discussions regarding shaping or commissioning business support schemes or products if they were intending to bid for any of the services. Exclusion from these discussions was the primary reason behind the perceived lack of communication felt by Cornwall Enterprise.

Cornwall Enterprise raised a number of other issues, nearly all of which related to the commissioning process. Their concerns were around providers new to Cornwall may not work together, share information, or leave a business support legacy beyond the lifetime of Convergence funding. All these issues have been addressed during the various meetings.

It should be noted that Cornwall Enterprise will no longer exist after 31 March 2009. It will be replaced by the Cornwall Development Company, which has a different remit.

2. There was a misunderstanding by partners of the criteria for companies to access the product. The Coaching for Impact product descriptor describes the eligibility criteria and following further guidance all parties were happy that the product would work in Cornwall and the Isles of Scilly.
3. The previous EU funding for Cornwall, Objective 1, invested significant sums in broadband in Cornwall. The issue was the technology would not be exploited without further public investment. This concern has been overcome by the introduction of the Transformational ICT Regional Pilot.

A number of other questions were raised. These are listed below with responses:

1. CCC to review and provide commentary on detailed specifications of planned Convergence business support products prior to tendering

Cornwall County Council has accepted that it would be inappropriate for Cornwall Enterprise staff to be part of Commissioning Teams for Solutions for Business Products if they have an interest in replying to the Expressions of Interest.

CCC has been an active and key member of the Programme Monitoring Committee (PMC) where the business support framework for Convergence was agreed and at the Partnership Delivery Board (PDB) where individual investments are commissioned, they are also a member of the Endorsement Advisory Group (EAG) which looks at individual investments which recommends endorsement to the RDA as Managing Agent for ERDF.

The County Council is now represented on each of the Commissioning Teams by David Chadwick, originally from North Cornwall District Council. The Commissioning Teams working within the scope of the product guidelines, define the approach in Cornwall and the Isles of Scilly, undertake the Expressions of interest stage, the scoring of applicants, then the full detail of their bids to the programme, scoring and interviewing.

2. Potential issues raised in mapping document to be examined/discussed/resolved. Areas include: business creation, finance for business, high growth, ICT, market development, (sector) networks, turnaround. This is to ensure that activities set out in the Operating Programme document (OP) and/or raised via the pre-commissioning process are dealt with/delivered as intended. Where products/services have been identified as necessary but are not a fit to the BSSP framework, how to find a workable solution

In our view as the processes have moved forward it is clear that there are now limited issues between, the Operational programme, the Pre-commissioning undertaken, and the Solutions for Business Products.

The only really difficult issue was around ICT, where the Programme is potentially making a large investment in NGA and where appropriate support to ensure the maximum business exploitation of the technology; this has is now being resolved through BERR allowing for South West participation in a national ICT pilot.

3. Consideration of the commissioning process to establish whether the commissioning of Convergence-funded business support services is best undertaken on a sub-regional (Cornwall) basis rather than in any other way to ensure effective and sensitive delivery to the target local market

The commissioning Teams are made up of Cornish businesses and public sector partners. They have committed fully the process and the outcomes. The view of the commissioning teams is that the beneficiary is not the provider but the businesses who would benefit and the process needs to find the best provider for Cornish and Isles of Scilly Companies. Some investments are intensifications of regional products such as SWMAS or GBi, this ensures consistency and expertise.

4. Consideration of the design and application of any proposed voucher scheme which may be brought forward to ensure that it meets the anticipated/known needs of the local market both in terms of validating and satisfying the demand for services being purchased and of regulating the supply of quality services from professionals both inside and outside (if appropriate) of the county

Vouchers may or may not be part of some or all of the products, the voucher scheme being implemented by business links is proving very successful and popular.

Vouchers allow businesses to identify and buy subsidised expertise from whoever in the market is best placed to supply it, whether in Cornwall, regionally, nationally and internationally. Again from the programme perspective, the company using the voucher is the beneficiary not the provider.

5. Review of how the additional IDB resource extended to Business Link will interface with the range of planned business support products and their providers to ensure that maximum advantage is being taken of the overall Convergence business support investment.

Each contract with any business support provider (even HEIs etc) state that all reporting will be routed through the Net Output Reporting tool in Business Link, this prevents double counting of results and impacts at a programme level, it means that each provider will know which other provider has visited a business and when (incredibly important when our target business pool in Cornwall is probably less than 2, 000) and allows for shared marketing.

In addition Business Link advisors will form a part of the product steering groups to ensure that they are involved in project progress, communication and ensuring a cohesive support package to businesses

6. Through co-operation on this work programme, the development of an effective dialogue between CCC and the SW RDA at levels which are appropriate in terms of both implementation of strategy and delivery of services

CCC are actively involved in Strategy development, and delivery decisions, they may or may not be involved in the delivery itself through CDC depending on the outcome of the various processes.

7. Appropriate collaboration on phases 3 and 4 of the BSSP Transition Management Board process (if within this time-scale) to ensure local authority input and influence to the ongoing progress of this parallel activity where there are issues of non-compatibility between existing products and services and the BSSP framework similar to those which form the focus of this work

The Regional Transition Management Board will oversee the implementation of BSSP and the portfolio of Solutions for Business products. The RDA will continue to work closely with local authorities and other partners on how best the new portfolio and products can be introduced and develop appropriate solutions for schemes and services which fall outside the Solutions for Business products.

## **CORNWALL DEMONSTRATOR**

### **Terms of Reference**

#### **Overview**

The Cornwall Demonstrator Project is designed to test the fit of the European Regional Development Fund Convergence Operational Programme (Convergence OP) in Cornwall and the Isles of Scilly with the national Business Support Simplification Programme (BSSP) in terms of product design, access, branding and local delivery.

Cornwall and IoS is defined by the EU as an area of economic disadvantage lagging behind the EU average in terms of per capita GVA. The demonstrator will test how BSSP principles can be applied to the sub region in a way which respects the national framework and is sensitive to local needs. The lessons learned will be capable of being replicated to other areas in GB displaying similar characteristics.

The project review will be conducted against the background of other policy imperatives which will provide the economic context for it, including Local Area Agreements, the Sub National Review Review of Economic Development and Regeneration, Regional Funding Advice to Government and Cornwall's proposals to set up a Cornwall Development Company to replace the county's arms-length economic delivery organisation Cornwall Enterprise.

#### **Terms of Reference**

The following Terms of Reference (ToR) have therefore been established for the project to test:

- that the commissioning process, which has been approved by the Regional Development Agency (the organisation with responsibility for delivering the Convergence OP and managing the transition of regional business support products and services to the new BSSP portfolio) and the Convergence Programme Monitoring Committee (which comprises representatives drawn from government, the public, private and voluntary sectors), is sensitive to local as well as national or regional delivery where this is appropriate in meeting local needs;
- the design and operation of any 'voucher' entitlement scheme that may be brought forward which businesses, and those contemplating setting up business, will be able to use to purchase products and services from "approved providers" selected after open and competitive tendering processes have been adopted and followed;
- whether there is anything in the BSSP portfolio which, if not addressed, would preclude the delivery of products and services in the Convergence OP either at all or in the way it was intended;
- whether there are issues of communication and understanding between organisations with responsibility for strategic policy and programme delivery and organisations on the ground which aspire to deliver business support products and services that need to be explored and clarified within the spirit of collaborative partnership working.

## **Methodology**

Mapping of the Convergence OP to the BSSP Products and Services portfolio has already been completed separately by the South West Regional Development Agency and Cornwall County Council / Cornwall Enterprise, but this will be extended to ensure that:

- commissioning, that is already approved as compliant with European competition requirements, is conducted in a way which provides value for money and meets local needs;
- the commissioning of additional IDB services and how Business Link will broker businesses to other relevant support products is clearly defined;
- the design of any voucher scheme, if approved and on which work has yet to start, will be compliant with branding, improve access and delivery, offer value for money and improved take-up of services;
- any products or services in the Convergence OP that do not appear to fit the BSSP portfolio are identified and pathways developed and agreed to resolve any potential for conflict;
- communications are reviewed and where shortfalls in explaining or understanding requirements are identified, new ways to improve methods of explaining key messages are worked through and agreed.

## **Governance**

The demonstrator project will be led by John Deegan, a consultant appointed by BERR, who will facilitate discussions between the South West Regional Development Agency and Cornwall County Council (the latter assisted by Cornwall Enterprise). The Government Office for the South West will oversee these arrangements to ensure that the aims and objectives of the project are delivered as described in the ToR. The Government Office will mediate in any dispute relating to the agreement of the ToR and its delivery and will seek to produce a solution that is acceptable to all the partners on behalf of the project owner BERR.

## **Timescale**

Preparatory work for the demonstrator commenced at a meeting in Truro on 25 July which Cornwall County Council, Cornwall Enterprise (an arms-length delivery organisation for the county council), Act Now (a European Objective 1 funded project), the Department for Business, Enterprise and Regulatory Reform, the South West Regional Development Agency, and the Government Office for the South West attended, to set the scene and gain a shared understanding of requirements. A further meeting of these organisations is fixed for 15 September to formally sign off the ToR and agree the methodology; the ToR, methodology, and arrangements for governance, having been agreed in broad principle in advance of that. Recommendations will be made by John Deegan in his final report, due to be submitted to BERR by the end of Sept 08; however the project will continue to be monitored beyond this date to ensure that the objectives are achieved.

## **Government Office for the South West - Bristol**

10th September 2008

# Croydon BSSP Demonstrator Project

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Final Report

April 2009

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Version	Originator	Approved	Date
1.0	Matt Peacock		13 March 2009
2.0	Matt Peacock		27 March 2009

# 1 Introduction

This document provides a full report on the Croydon Business Support Simplification Programme (BSSP) Demonstrator project, which ran between Monday 3 November 2008 and Friday 27 February 2009.

As one of a small number of 'demonstrators' around the country, this multi-agency project is viewed by partners as an important step in the development of the business support simplification agenda. The partners involved in the project are keen that this document should provide an impartial summary of the project in order that the BSSP and other external partners can derive maximum benefit from the Croydon projects experiences.

This report will, therefore, give detail on the context of the project, and provide detail on how the project was developed, the processes it employed, and the outputs achieved. It also attempts to evaluate the project and offer some conclusions about the benefits of the project and lessons learned.

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## 2 Background to BSSP

BSSP has its origins in the 2005 Budget statement when the former Chancellor of the Exchequer committed to the Government to simplifying the complex system of business support nationally, which was characterised by over 3,000 publicly funding business support schemes, worth an estimated £2.5bn annually. The public sector was challenged to reduce available business support schemes to 100 or less by 2010. The aim being to ensure that publicly funded business support can become; simple for business to understand and access, better value for money with less money spent on administration and more on service delivery, and have a measurable impact on the business community and economy.

The programme that has emerged is a partnership between all levels of government in England, with local authorities and the LGA involved in its development. It is led by the Department for Business, Enterprise and Regulatory Reform (BERR) as the representative voice for business across Government.

The Government published a report '*Simple Support, Better Business: business support in 2010*' in March 2008 that set out what it hoped the BSSP would achieve. Following this, it was announced that a programme named 'Solutions for Business' was to be created to streamline the 3,000 available publicly funded schemes on information, knowledge and funding down to a suite of 18 products and 30 offers (sub-products), with existing schemes expected to slot into this new framework. This is due to be fully implemented by March 2010.

'Solutions for Business' also stipulated that business support services should have a common look and feel, and should be accessible via Business Link – which is now identified as the primary access channel for business support. 'Business support' is defined as any publicly funded activity that benefits a business or potential business through grant, subsidy, advice or other service, and includes local authority activity.

BERR has tasked the RDAs to 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 each region. This includes taking into account local imperatives, such as achieving regeneration goals through business support activities (e.g. 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.<sup>2</sup>

The aim is that 'Solutions for Business' will deliver a better support service to business, increase impact of schemes, and as make savings for government by removing complexity, cost and confusion from the system. It also aims to:

- Enhance Business Link to take on its role as primary access channel – diagnosing need, advising on support and signposting/brokering
- Develop a shared marketing and branding framework for the new Product portfolio

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<sup>2</sup> BERR, *Business Support at the Local Level - An Information Note*, 2008

- Identify balanced delivery arrangements, including the most appropriate spatial levels for procuring support
- Put in place strong governance arrangements and a robust evaluation framework based on shared success

The role of Business Link within this process is that it will sit at the centre of the local and regional provider network to make the customer journey as seamless as possible. This does not mean that Business Link will be the only access channel. BERR has stipulated, however, that all public sector organisations operating locally should avoid competing for customers and duplicating the Business Link offer.

### 3 Background to the Croydon BSSP Demonstrator project

In March 2008, with BSSP programme nearing implementation phase, and in order to broaden and intensify its interaction with local government, BERR asked LB Croydon if it would be prepared to work more intensively with BERR and partners on developing 'demonstrator' activities to test how various aspects of BSSP will work in practice.

The Chief Executive of LB Croydon agreed to participate in the project, so Croydon joined LB Newham, Cornwall County Council, Lincolnshire County Council, Nottingham City Council, and Tees Valley Group of Councils in agreeing to demonstrate BSSP.

BERR intended that the demonstrators would be specifically designed to:

- Test how BSSP will actually work on the ground
- Show how local authorities can utilise and benefit from the programme
- Share best practice lessons among all partners.
- Help ensure that the business support products currently being developed meet the requirements of local government

BERR were keen to work with Croydon as a demonstrator in order to understand the impact of LEGI funding on BSSP principles, and were particularly to establish the following points:

- What were the implications for the way Croydon provides information, diagnostic and brokerage support utilising LEGI?
- What arrangement, contractual or otherwise, is there between BL and Croydon Business/Enterprise in providing outreach activities via LEGI?

While interested in the above points, BERR left the decision on what area or element of localised business support was to be demonstrated to local authority and partners, although projects were encouraged to demonstrate different elements of business support in order to increase the learning experience for BERR, and Business Link.

The picture of business support in Croydon is made more complicated by the parallel process of establishing the new Croydon Economic Development Company. Given that the new company will be the main delivery organisation for public sector funded economic development activity in Croydon, it was deemed necessary to give due consideration of the implications arising from the demonstrator project for the new company, and the impact the EDC will have on the new processes.

### *Product Matching*

Mainly as a consequence of the Local Enterprise Growth Initiative (LEGI) programme in Croydon, there are a high number of business support projects on-going or being developed within the borough.

A detailed matching process of these services was undertaken in July 2008 as part of the London Transition Management Plan, coordinated in London by the LDA. The process compared and matched Croydon's business support services against the new set of products that have emerged from the BSSP programme. The list of Croydon business support services included in the matching process is found in Appendix 2 of this report.

## 4 LEGI in Croydon

The Local Enterprise Growth Initiative (LEGI) in Croydon was approved by Government in March 2006. The programme - led in the Borough by Croydon Enterprise – has three strategic objectives:

- To increase the entrepreneurial potential of all communities across Croydon and, in particular, key target groups
- To support the creation and survival of new businesses, the sustainable growth of existing businesses and reduce the failure rate of business across Croydon
- To support the development of an economic environment that attracts inward investment and franchising opportunities into Croydon, making best use of local labour resources

The Croydon LEGI programme is one of the most significant in the country, and has significant overlaps with the BSSP. This is demonstrated in Appendix 2, which shows a list of Croydon projects compiled as part of the matching process on behalf of the LDA.

The LEGI programme changed in nature in April 2008, when the full LAAs were rolled out among Local Authorities. Rather than being a ring-fenced grant in support of local economic development, LEGI became part of the Area-Based Grant. This meant that Croydon Enterprise now has to bid through the Council's internal system to access the grant funding for its programme.

By definition, the Croydon LEGI programme is focused on enterprise development and business support, and Appendix 2 shows the significant number of business support activities on-going and planned for the borough. Croydon has activities that show close or partial match to a number of BSSP 'Products' under the following 'Offers': Business Collaboration Networks, Business Creation, Business Expertise, Capital Grant, Debt Finance, Globalisation, Local Community Business Coaches, Promoting Resource Efficiency, Risk Capital, Shared Business Support Environments, and Skills Solutions for Business.

The above set of BSSP 'offers' show the breadth of support available to local businesses through the local authority, and indicate the importance of aligning the LEGI, and other local authority funded business support services with BSSP. This is particularly significant given BERR's stipulation that all public sector organisations operating locally should avoid competing for customers and duplicating the Business Link offer. The breadth of support available in Croydon also highlights to size of the task in hand to achieve genuine alignment of services.

Given the time and resource restrictions of the project, proper investigation of all the close or partially matched services was unrealistic. The demonstrator project did, however, look in detail at the following 'Products' in the process of project development:

- BSSP 'Product' – Business Collaboration Networks

- BSSP 'Product' – Business Creation
- BSSP 'Product' – Local Community Business Coaching

Commentary on issues and matters arising from the overlap with these BSSP 'offers' is dealt with below in *Section 6 - Performance and Issues*.

## 5 Project information

The core partners for the project were identified as:

**Business Link in London (BLIL)** – Business Link in London is the organisation that operates the LDA's information, diagnostic and brokerage contract in London, and is the Government's primary access channel for businesses within the city. BLIL already partnered with Croydon on some projects and there was a draft, although unsigned Memorandum of Understanding between BLIL and Croydon Business to support this arrangement.

**BERR BSSP Team** – The BSSP team are responsible for driving the programme forward within BERR, and therefore were able to provide policy input to the project. BERR involvement in the project was also identified as an opportunity to strengthen the understanding between the policy role of the department and actual 'coal-face' delivery.

**Croydon Business** – Croydon Business acts as a commercial organisation at arms-length from LB Croydon, and is responsible for marketing and facilitating business opportunities within the borough. It is also responsible for implementing aspects of the strategic enterprise development programme administered by Croydon Enterprise, including many business support projects.

**Croydon Enterprise** – Croydon Enterprise is a unit established by LB Croydon to operate the local LEGI programme to support enterprise development in the borough. The programme includes projects to support businesses and individuals, and some of these projects are delivered by Croydon Business.

**LDA** – RDAs lead on simplifying business support in the regions. The LDA is responsible for the London Transition Management Plan and it contracts BLIL to provide Information, Diagnostic and Brokerage services in London.

Partners held a series of development meetings between June and September 2008. Present at these meetings were representatives of BERR, Croydon Business, Croydon Enterprise, Business Link in London, LDA, and GOL. The focus of these discussions was the scope of the project, timescales and practicalities of how the agreement could be implemented.

A number of options were discussed for the focus of project activity. Existing projects with potential to be demonstrated included:

1. Croydon's cluster development programme
2. Croydon's business growth programme
3. A project to test the process of referral of clients between Business Link in London and Croydon Business

For timescales, there was a requirement from BERR for the project to run over a period of time long enough to assess the effectiveness of the new process in question. It was agreed that a 3 month period would be sufficient to draw some robust conclusions on the value and outcomes of the demonstration process.

After discussion about the practicalities of effectively demonstrating the options outlined above, it was agreed that testing new arrangements for option 1 (the cluster development programme) and option 2 (the business growth programme) would be unrealistic within the 3 month timescale. The reasons for this decision were:

- Both options 1 and 2 would require joint promotion to businesses, and it would be uneconomical to reprint partner marketing material to promote a temporary project
- The BSSP Collaboration Networks product (the close match to the Croydon cluster development model) required that the local priority sectors matched those sectors prioritised by the LDA. The LDA, however, has moved away from its previous approach to sectors, and does not give any sectors in London priority
- The growth programme activities are on a timescale longer than 3 months, which would prevent effective evaluation of the project

All partners decided that the most appropriate and practical process to demonstrate would be option 3 – to test the process of referral of clients between BLIL and Croydon Business.

## 5.1 Project Steering Group

In September 2008, a project steering group was established to take forward the demonstrator in Croydon. It was felt to be important that the steering group membership would include representatives at a sufficient level within each partner organisation to be able to commit resources and agree specifics for delivery. The steering group was therefore formed with the following representatives from partner organisations:

Representative	Organisation	Position
Susannah Wiltshire	BERR	BSSP Team
Andrew Ghijben	Business Link in London	Senior Partnerships Manager
Ruth Nightingale	Business Link in London	Partnerships Manager
Denis Palmer	Business Link in London	Regional Manager South and West London Development Agency
Lisa McCance	Croydon Business	Senior Programme Manager
Karen Fiagbe	Croydon Business	Project Manager
Stella Okeahialam	Croydon Enterprise	Programme Director
Margaret Doherty <sup>3</sup>	LDA	Senior Programmes Manager
Shahid Miah	LDA	Strategy Team
Matt Peacock <sup>4</sup>	Navigant Consulting	Managing Consultant

<sup>3</sup> Joined Project Steering Group in February 2009 following LDA re-organisation

<sup>4</sup> Acted as project manager on behalf of Croydon Business/Croydon Enterprise

The Croydon BSSP demonstrator project was set up to commence on 3 November 2008 and ran for 3 months until 30 January 2009. It was agreed by all parties that this would enable sufficient time for reporting and evaluation before the end of the financial year.

After a series of meetings in September and October to establish the parameters of the project and ensure that all practical actions were covered, the steering group agreed that it should meet on a monthly basis (towards the end of each month) throughout the lifetime of the project, to monitor progress against the project deliverables, and discuss operational and implementation issues.

## **5.2 Project Objectives**

The project was established to work towards the following objectives:

1. To test the process of referral of clients between Business Link in London and Croydon Business, to work towards providing a smoother and simpler customer journey
2. To provide a report on how this arrangement actually works on the ground
3. To identify issues within the detail of the emerging set of Solutions for Business Product Offers
4. To show how the local authority/Business Link relationship works in the context of LEGI
5. To assess the implications of the project for the forthcoming Croydon Economic Development Company
6. To share best practice lessons among all partners

Beneath the project objectives, there were a number of actions agreed to be the main delivery partners.

### ***Croydon Business/Croydon Enterprise committed to the following actions:***

1. To align its programme of service delivery with the BSSP framework
2. To help BERR/LDA and partners to understand what it means for BSSP to work on the ground (by undertaking an objective exercise to highlight what works and what doesn't)
3. To channel diagnostic sessions through to Business Link
4. To work towards achieving operational improvements with Business Link in London South and West Regional Team (please see below)
5. Work with the LDA to draw up detailed comparison of Croydon services to BSSP products
6. To ensure that Croydon Business/Croydon Enterprise websites give reference to Business Link and the 'demonstrator' project
7. To provide Business Link in London with information to give them a full understanding of all the services provided in Croydon

8. To identify an internal project champion
9. A commitment for future working

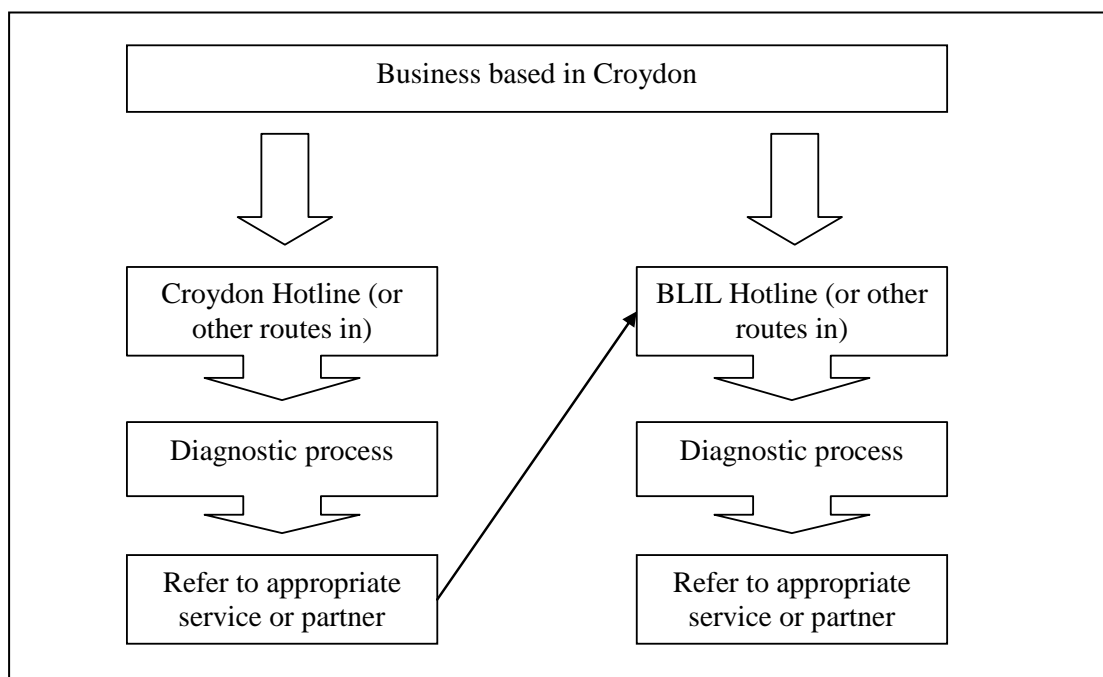
**Business Link in London committed to:**

1. An improved referral process (maybe to include the development of a light CRM system, possibly involving a CRM purchase)
2. Working for improved means of information access (Business Link are shortly to launch a stakeholder information tool)
3. Work with Croydon's access channels
4. Review and improve existing protocols
5. An (in principle) expectation of a Business Link secondment to Croydon for the business hotline (although this will require confirmation from the Business Link South West London team)
6. Identify an internal project champion
7. A commitment for future working

*Current arrangements*

As set out in the project's first overall objective, the principles of BSSP necessitate that local partners work together on developing a smoother and simpler customer journey. The previous twin-tracked process of diagnostic for a local business in Croydon is shown in the diagram below:

**Diagram 1: Previous referral process**



This process illustrates that a business from Croydon that contacted either Croydon Business or BLIL would be directed down a self-contained customer journey, with the only referral process between the two organisations potentially occurring when a business could be referred on from Croydon Business to BLIL (after diagnostic). This signals a duplication as the Croydon diagnostic process is available from BLIL. On the other hand, the absence of referral from BLIL to Croydon Business highlighted by the diagram reflects lack of knowledge within BLIL of the extensive business support services in Croydon.

### 5.3 Project Protocols and Targets

A Memorandum of Understanding (MoU) between BLIL and Croydon Business was drafted just prior to the start of the demonstrator project. Previously, the relationship between the two organisations was based on relationships between senior officers, and did not focus on operational issues. The MoU was extended to form the basis of the project, and identified mutual targets and new processes that each partner committed to delivering.

The Memorandum of Understanding set out a protocol of action and a number of ‘soft’ targets for each partner to work towards throughout the project lifetime. A description of protocol and each of the key deliverables (with targets in grey) for each partner organisation is set out in the following table:

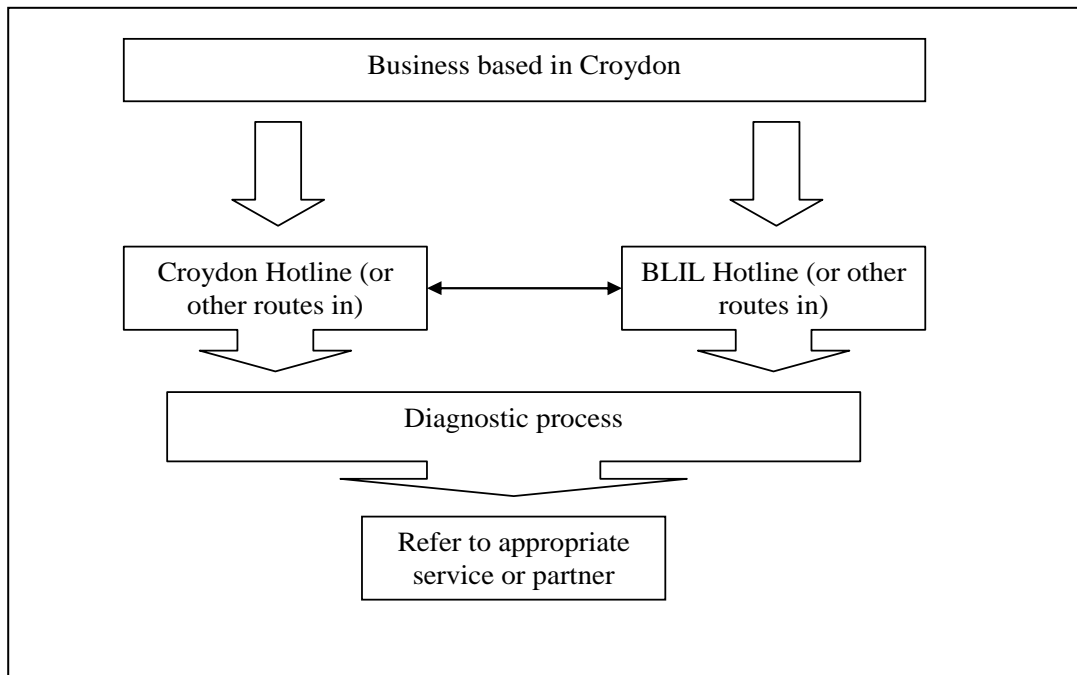
**Table 5.3: Memorandum of Understanding Protocol and Targets**

	Action	Description	Comment
1.	Business Reviews	BLIL will provide a CSM every Wednesday at Croydon Business’ premises to deliver Business Reviews to Croydon businesses (trading for more than 12 months) looking for intensive business support (leads to be generated by Croydon Business).	This effectively commits BLIL to a placement in Croydon for one day per week, with sufficient demand.
2.	Business Reviews	Croydon Business will book 4 review sessions per day for businesses that contact them looking for intensive business support from BLIL CSMs. Croydon Business will also provide a suitable private room for the BLIL CSM to conduct these reviews. These will be carried out every Wednesday.	
3.	Business Review Documentation	BLIL CSMs will complete the documentation following the Business Review in the agreed format and return to Croydon Business within 4 working days of the client appointment.	In order to perform diagnostics on behalf of Croydon, it is necessary for BLIL to complete Croydon Business’s monitoring procedures also.
4.	Follow on contact	Croydon Business will contact the client within 2 working days with suitable brokered support to achieve their needs following a BLIL Business Review.	Croydon Business commit to providing an efficient next steps service.
5.	Mutual first referrals	Cross referral for Business Link clients (generated by BLIL’s activities) based in Croydon and may benefit from Croydon Enterprise’s specialist support	BLIL commit to referring clients based in Croydon to Croydon Business’ support services.

	Action	Description	Comment
6.	Timescale for referral	The above referrals will be made within 1 working day of the initial client contact.	BLIL commit to this process when following up client actions.
7.	Lead source	Both parties will record where the lead originated from.	Intended to provide an overview of the mutual referral procedure
8.	Timescale for contact with client	Client contact from both partners on receipt of referral will be made within 1 working day of receiving the referral.	Sets expectations from each partner.
9.	Customer Service Check	All referrals are followed up with 7 to 10 days to confirm follow up procedures have taken place.	Sets expectations from each partner for service monitoring.
10.	Complaints & compliments	In the event of either organisation receiving a complaint or compliment the Relationship Manager of the other Party will be notified in writing within 2 working days from identification of complaint by email.	Procedure sets expectations from each partner.
11.	Customer satisfaction	Client satisfaction will be considered by all representatives during all contact, and will be reported monthly.	Procedure sets expectations from each partner.
12.	Proposed referral targets	Croydon Enterprise would expect to refer 10 clients coming through its Business Hotline to BLIL services per month.	This target relates to leads generated through Croydon Business hotline, and not other activities.
13.	Proposed referral targets	BLIL would expect to refer 10 clients coming through its Business Hotline to Croydon Enterprise services per month.	This target relates to leads generated through BLIL hotline, and not other activities.

The diagram below shows the process that the project was attempting to establish, with the joint referral process for businesses in Croydon trading for over 12 months, and a mutual referral process established at hotline (and system entry) stage:

**Diagram 2: New referral protocol**



## 6 Performance and issues arising

This section describes progress against all of the project objectives outlined above.

### ***Objective 1 - To test the process of referral of clients between Business Link in London and Croydon Business (details below)***

The project began in November, and got off to a very slow start, with few referrals for business reviews, and no mutual or cross-referrals happening in the first three weeks of November. Partners put this initial poor performance down to the following factors:

- 'Teething problems' (not all staff were up to speed with the requirements of the new protocol between BLIL and Croydon Business, and requirements of properly completing the appropriate forms needed embedding)
- Enterprise Week (third week of November) – This is a very busy time of the year for Croydon Business staff, as they had a large number of events to run, which prevented the necessary level of focus on the project
- The economic downturn and uncertainty initially impacted on project figures
- The project began in the run up to Christmas, which is traditionally a slow time for business enquiries

As the slow start extended into December, the steering group agreed to extend the lifetime of the project by one month, pushing back the end date for the project to Friday 27 February 2009.

**Table 6.1: Business Reviews (Output 1/2)**

Month	Target <sup>5</sup>	Actual
November	16	2
December <sup>6</sup>	12	0
January	16	18
February	16	9
<b>Total</b>	<b>60</b>	<b>29</b>

This target measured the ability for Croydon Business to refer business clients (trading for more than 12 months) through to BLIL diagnostic sessions in the Croydon Business offices during the time period. The project has not achieved the headline target (and this figure does not account for the attendance of clients at arranged sessions). However, it should be noted that the target figure is the full capacity of the service. The performance also demonstrates that the two organisations can work together on business diagnostics.

Croydon Business usually has an average cost per diagnostic of £275, which means an effective cost saving to Croydon of £7,975.

<sup>5</sup> Outline target based on 4 sessions held each Wednesday per month

<sup>6</sup> The project allowed for three Wednesdays in December because of Christmas holiday.

**Table 6.2: Mutual First referrals (Output 5)**

Month	Target	Actual
November	0	0
December	0	2
January	0	3
February	0	9
<b>Total</b>	<b>0</b>	<b>14</b>

There was no target agreed for referrals from BLIL to Croydon Business generated from its non-hotline activities.

**Table 6.3: Referral Targets – Croydon Business to BLIL (Output 12.)**

Month	Target	Actual
November	10	0
December	10	4
January	10	18
February	10	6
<b>Total</b>	<b>40</b>	<b>28</b>

After a slow start, Croydon Business has demonstrated that it can produce referrals for BLIL from its hotline service.

**Table 6.4: Referral Targets – BLIL to Croydon Business (Output 13)**

Month	Target	Actual
November	10	0
December	10	1
January	10	1
February	10	7
<b>Total</b>	<b>40</b>	<b>9</b>

The process of referral from the BLIL hotline to Croydon Business services for Croydon based businesses over the lifetime of the project is very small, and showed little sign of improvement throughout the lifetime of the project.

There have been a number of positive actions arising from implementing the protocol outlined in Section 5 – Project *Information*. These include:

- A crucial element of the partnership and mutual referral process between Croydon Business and BLIL is the need to ensure that the appropriate information is passed between the organisations through customer facing staff completing the appropriate forms. After a slow start, there are now no problems with the process of passing the necessary forms over between the two organisations.
- Following the improved level of information sharing between the two organisations, the customer facing staff of both organisations are now routinely informing customers that the organisations are ‘working in partnership’ in Croydon, and are able to pass on to customers more information about the other.

In terms of being able to provide evidence of benefits to clients themselves, the timescales of the project restrict this report from drawing upon the usual methods of identifying client benefit, such as assessing improvements in productivity, turnover, or skills.

The report can provide anecdotal evidence of benefit to businesses drawn from customer feedback and outlined in the case studies included in this report (see Appendix 1).

#### *Issues*

The key issues that have arisen from this process are important ones for the BSSP to consider going forward:

- It is apparent that there is an issue for Business Link in London in managing the referrals system from BLIL to the partner. This is an issue for non-hotline generated referrals, but particularly for referrals of clients entering the system through the BLIL hotline.
- Substantial reduction of clients taking up follow-up support that is impacting adversely on Croydon Business ability to meet the output and outcome targets for the Croydon Enterprise Programme. 30% of clients referred to BLIL for a business review are taking up follow-up support. Croydon Business are able to compare this follow-up rate against their own diagnostic delivery for businesses trading over 12 months, using the previous approach when clients had diagnostic review and follow-up support with their external suppliers, roughly 90% took up the service.

#### ***Objective 2 - To provide a report on how this arrangement actually works on the ground***

This report meets this objective, and elements within it describe the processes that have been established, the performance of the project and the positive outcomes and issues that have been identified over the lifetime of the project.

#### ***Objective 3 - To identify issues within the detail of the emerging set of Solutions for Business Product Offers***

It was agreed at the outset of the project that the emerging the demonstrator project would be an appropriate means of identifying issues with the more detailed 'Product' descriptors emerging from BERR.

In October 2008, representatives from Croydon Business and Croydon Enterprise met with representatives of the LDA to discuss how the project would capture this information and feed it back to BERR. At the meeting, the LDA expressed the view that this process would be unnecessary, as the 'Product' descriptors had been agreed by the Minister and were therefore fixed. It was therefore agreed that there would not be an extensive feedback exercise conducted as part of the project.<sup>7</sup>

In addition, the basis of the demonstrator project was the development of the referral process between Croydon partners and BLIL, which was more in line with the IDB process, that with an actual descriptor.

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<sup>7</sup> It should be noted that partners have expressed a concern over the level of involvement of the LDA within this demonstrator project.

However, in the process of putting together the Croydon demonstrator project, several detailed 'Products' descriptors were looked at and compared to existing LEGI and other Croydon business support services and processes. Below provides comments on issues that partners identified from those 'Product' descriptors:

#### *Local Community Business Coaches*

This is likely to be an important 'Product' for Croydon as the strategic objectives of the LEGI programme, are exactly in line with the aims of this product, which are:

- To introduce coaches to engage with people in deprived communities and to target under-represented groups such as women, some black and minority ethnic groups and people with disabilities and encourage them into self-employment, social enterprise
- To increase business creation and survival through Local Community Business coaches

Additionally, the 'Product' links to key worklessness issues at the local level, which are supported by LAA target outcomes and well established local partnerships in Croydon.

Croydon Partners were therefore concerned about a number of issues that were identified regarding this 'Product':

- Croydon's experience in this subject area is that *both* employment and business coaches are required to serve workless clients at different stages on their route to becoming economically active.
- There is a clear need ensure the efforts to address worklessness have local coordination, while the descriptor stipulates a regional or sub-regional procurement process.
- The latest iteration of the descriptor includes a note that acknowledges the issue of local Area Based Grants. Local Authority officers in the target areas will be obliged to bid internally for funding support to develop enterprise, skills and employment opportunities in specific neighbourhoods (as Croydon's LEGI programme now does), where, effectively, the Council is the commissioning body.
- The descriptor states that the number and type of coaches will be determined by funding/delivery bodies, on full completion of business case and VfM consideration. The brief proposes that the delivery will be coordinated and monitored by management bodies. It is not clear, however, which organisation will complete the business case/VfM consideration, or if the RDA, as manager of the management body, be responsible for assessing this process.

#### *Business Collaboration Networks*

Support for sectors is identified as a priority in Croydon, and there are 6 active sector groups in the borough. As this is an important matter for Croydon, partners identified a number of issues from the Business Collaboration Networks descriptor:

- The product descriptor states that network support should be received collectively by businesses rather than on a one-to-one basis. Most of Croydon's current networks provide one-to-one support as a demand-led activity that provides flexible and valuable support to network members.

- The BERR descriptor states that selection of intermediaries should be undertaken regionally. This statement appears to disregard the fact that, as in LB Croydon's case, the local authority may be the funding body, and often may have the personal relationships with key local network members.
- Further to this point, the brief sets out to restrict cluster interventions to priority sectors highlighted in the Regional Economic Strategy, which could potentially not include designated local priorities. Indeed, the LDA has actually moved away from identifying priority sectors for London.
- The brief states that business collaboration networks should be marketed on a regional basis, following national branding guidelines. It does, however, acknowledge that best practice suggests that networks operate most effectively with their own brand.

### *Business Creation (Starting a Business)*

Many of the services set out for this product are offered in Croydon, and the 'Product' descriptor gives details that raise issues for Croydon, which include:

- Web support: This is specified within the descriptor as being nationally procured (and overseen by HM Revenue & Customs). This service is currently provided in Croydon, and most local authorities
- Telephone support: LB Croydon as with many local authorities operate a business hotline, which runs contrary to the specification in the 'Product' descriptor of a (nationally procured) Business Link national number. Many local authorities have introduced this hotline as a means of managing the interaction between the Council and the business community. As this service (as with many of the services that a Council provides to the business community) is not defined within BSSP product offers, Council's may be reluctant to give up this business service.
- One-to-many workshops are stated to be regionally procured by the RDAs, with delivery managed by regional providers. Croydon Business provide one-to-many workshops, which are sourced locally or sub-regionally, with a key strength of offering local knowledge to business clients. A regionally procured service may lose this key strength.

The core issue arising from the *Business Creation* descriptor is how locally funded services fit into the new BSSP framework. The descriptor's Impact Analysis states that local services should be discontinued where possible, which allows for some local service provision. The descriptor also states that RDA funding for this product can be supplemented from sub-regional or local sources. Both of these points suggest that some clarification of the local authority role will be required.

### *Branding*

Perhaps the most contentious part of the development of the BSSP is the issue around branding of partner services.

Despite their participation with the demonstrator project and close liaison with the BSSP team, partners from LB Croydon still have a large degree of uncertainty about this aspect of the BSSP. While the project steering group received a presentation from BERR in February, there are still a number of grey areas, which include:

- There is uncertainty about when phasing of standard branding should begin. For example, there is no mention of either BSSP or 'Solutions for Business' in the contract or any of the material relating to the significant ERDF programme. The LDA contract for Business London South has been extended for a further year and also does not contain any reference to 'Solutions for Business'. Croydon Business as a delivery partner wants to ensure that they are implementing the policy, but there are no guidelines or specifications within the ERDF programme documentation about introducing standards on materials that will be 'live' for the next few years.
- Croydon Business produces some promotional material in partnership with the private sector. BSSP is not clear on how the imperative provided by private sector funding will be handled within the 'Solutions for Business' guidelines.

***Objective 4 – To show how the local authority/Business Link relationship works in the context of LEGI***

The focus of the demonstrator project was on improving the information and partnership working processes in Croydon. If a more effective, smoother and simpler set of processes can be created in Croydon going forward, then the local business community should benefit from improved access to the significant number of business support programmes available in the area, which should benefit LEGI. Within this context, Croydon Business should be viewed as a key service provider and a major recipient of referrals from BLIL brokerage services.

The key issue to identify is how to integrate the business engagement role of the Council into the BSSP 'access channel' process. As it is the principal and most visible public sector agency in the locality, and a major provider of services to local businesses, the Council has to play a role in interacting with local businesses.

Partners from Croydon Business and Croydon Enterprise acknowledge that there are certain services that they provide at a cost, which are provided by BLIL for free – for example, diagnostic sessions. Croydon partners are, however, keen to point out that they are expected to deliver outcomes for the Council (and for the LEGI programme) and they need to be entirely confident that new processes established with BLIL meet their expectations.

The processes that have been demonstrated by this project are as follows:

- BLIL and Croydon Business can work together to put on a diagnostic service for local businesses. This involves a BLIL adviser being placed in Croydon offices for one day a week at present. This involves coordination of information between the two organisations relating to business inquiries and booking of appointments, currently conducted by email, with the client referred from Croydon Business to BLIL (ie. the business is told to call BLIL).
- When BLIL come into contact with a business through any means (apart from the BLIL hotline), and that business is based in Croydon, BLIL make that business aware of services offered by Croydon partners, and refer that client on to Croydon Business.
- When a business from Croydon calls either the Croydon Business hotline or the BLIL hotline, both organisations make that client aware of the services offered by the other in the area.

In terms of back office functions, there is now an established partnership working group, supported by a Memorandum of Understanding, which describes the protocol that both parties are working towards. This has led to more effective information sharing, between the two organisations, and has provided the platform for closer collaborative working. The context that LEGI provides to this relationship is that it greatly increases the volume and scope of activity available in the local area. This has two main implications for BSSP:

- Croydon partners have chosen to allocate resources at present to some services that match the information, diagnosis and brokerage function carried out by BLIL, although there is scope and will from both parties to ensure that duplication of service is minimised.
- There is a large volume of services available to businesses in Croydon, mainly due to LEGI. The Government should therefore anticipate that there will be significant differences in resources allocated for business support between local authorities. The BSSP processes that emerge should be able to allow for such resource differentials.

***Objective 5 - To assess the implications of the project for the forthcoming Croydon Economic Development Company***

The method of delivery of business support services in Croydon is going to change when the new Croydon Economic Development Company begins operations. The basis of the company will be formed by a merger of Croydon Business and Croydon Enterprise.

The company will be the principal delivery vehicle for Croydon's Economic Development Strategy, which gives significant priority to promoting enterprise and providing business support, to inward investment and providing business accommodation. From this perspective, its role is not expected to be significantly different from the current roles of Croydon Business, Croydon Enterprise, Croydon BID and ENVIBE.<sup>8</sup>

Where the company may differ from the current arrangements is in its approach to delivery, as the company will have significant private sector influence (with majority private sector board representation). It will be the board's role to direct the company, and it may take another view on the best methods of achieving its aims.

The company will also be tasked with trying to attract private sector funding to support economic development in Croydon, which may lead to some issues with BSSP (for example on the issue of branding highlighted above).

The other angle where there could be implications for BSSP is in the area of contracting. The LDA will begin commissioning services from a variety of companies and organisations that will be encouraged to bid for contracts on a competitive basis. In this context, the Economic Development Companies could potentially bid for contracts to deliver Solutions for Business products.

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<sup>8</sup> Environmental Business Excellence – a Croydon Council service

***Objective 6 - To share best practice lessons among all partners***

A clear area of success from the project is in the commitment of partners to sharing best practice with wider partners and stakeholders.

Representatives of Croydon Business and BLIL made a joint presentation on the project to officers of LB Greenwich and partners. The presentation highlighted the collaborative work undertaken so far as part of the demonstrator project, the Memorandum of Understanding, and the commitment to develop partnering arrangements further.

Partners are also exploring a number of other channels to raise the profile of the project among partners, including:

- Presentations through London Councils and the LGA
- Business Link promotional activity
- Potentially placing a filmed case study on YouTube.

## 7 Evaluation

This section provides a scored evaluation of the project. It uses strategic objectives and/or stated project objectives of each of the main project partners, as well as the overall project objectives (set out in Section 5) and project performance (Section 6) as the basis for evaluation. The section is divided into X evaluation tables representing the following:

- Overall project objectives
- Performance against target outputs
- Performance against partner project commitments
- BERR strategic objectives
- BLIL action plan objectives
- Croydon Business – Business Plan objectives, and Croydon Enterprise Delivery Plan objectives

The scoring system employed in this evaluation is explained in the table below.

**Table 7.1: Scoring system**

Score bracket	Level of impact	Description
0-3	No impact – to low impact	The project has had little of no impact in terms of achieving the objective in question
4-6	Medium impact	The project has gone some way towards achieving the stated objective
<b>7-10</b>	Higher impact – to maximum impact	The project has achieved the stated objective or made significant progress towards its achievement in future

This evaluation will provide an impartial score to as an indication of how the project has performed against each partner objective.

**Table 7.2: Agreed Project Objectives**

Objective	Comment	Impact
To test the process of referral of clients between Business Link in London and Croydon Business	The project clearly tested this process, with overall positive results, while identifying some issues that need resolution.	8
To provide a report on how this arrangement actually works on the ground	This report will provide an impartial overview of the progress achieved, and issues identified within the project.	7
To identify issues within the detail of the emerging set of Solutions for Business Product	At the October meeting with the LDA, it was agreed that the LDA would retain responsibility for this process within London,	4

Objective	Comment	Impact
Offers	and should approach LB Croydon (and other London Boroughs) as required.	
To show how the local authority/Business Link relationship works in the context of LEGI	The basis of the project looked at the relationship between LEGI resources local authority services and BLIL.	7
To assess the implications of the project for the forthcoming Croydon Economic Development Company	While the project process will feed in to the emerging Croydon EDC arrangements, delays in establishing the EDC (the business plan is not yet available) have prevented a thorough comparison.	5
To share best practice lessons among all partners	A positive output of the project was the committed to disseminating best practice widely among partners.	9

**Table 7.3: Performance against targets**

Description	Target	Actual	Impact	Comment
<b>Business Reviews</b>	<b>60</b>	<b>29</b>		
Mutual First Referrals	0	14	6	This has promoted awareness of the offer provided by Croydon among BLIL staff
Referrals – Croydon to BLIL	40	28	7	This has improved referral from Croydon to BLIL, and has broken down relationship barriers
Referrals – BLIL to Croydon	40	9	6	Late increases in the figures show an improvement in internal processes.

**Table 7.4: Croydon's Project Commitments**

Commitment	Achieved	Impact	Comment
To align its programme of service delivery with the BSSP framework	✓	6	The established relationship with BLIL gives a strong basis of collaborative support to progress more advanced BSSP integration. Croydon can also become a major deliverer of services under the BSSP umbrella.
To help BERR/LDA and partners to understand what it means for BSSP to work on the ground	✓	6	While the project didn't demonstrate any actual products, partners believe that the crucial issue for BSSP was to test collaboration in the process of business access to BSSP.

Commitment	Achieved	Impact	Comment
To channel diagnostic sessions through to Business Link	✓	8	The project has created a workable process for diagnostic sessions (which has been improved through the life of the project).
To work towards achieving operational improvements with Business Link	✓	8	The project has developed a workable process in this regard.
Work with the LDA to draw up detailed comparison of Croydon services to BSSP products	✗	4	Some commentary is included in this report, but this was not completed as anticipated.
To ensure that Croydon Business/Croydon Enterprise websites give reference to Business Link and the 'demonstrator' project	✓	7	The Croydon Business/Enterprise websites both give the project a significant amount of coverage.
To provide Business Link in London with information to give them a full understanding of all the services provided in Croydon	✓	8	There is now an established process of information sharing to support the process of referral.
To identify an internal project champion	✓	5	Champion was identified, but anticipated meetings with BLIL champion didn't occur because of time pressures
A commitment for future working	✓	8	The relationship with BLIL is now established, and there is a firm commitment from Croydon partners to pursue the working relationship further.

Table 7.5: BLIL Project Commitments

Commitment	Achieved	Impact	Comment
An improved referral process	✓	7	The project made real progress in improving the referral process between the two organisations
Working for improved means of information access (Business Link are shortly to launch a stakeholder information tool)			
Work with Croydon's access channels	✓	7	There is now an established and improving working relationship with Croydon's access channels.
Review and improve existing protocols	✓	8	The MoU has been extended, formalised and tested by the

Commitment	Achieved	Impact	Comment
			demonstrator
An (in principle) expectation of a Business Link secondment to Croydon for the business hotline	✘	4	This commitment has not been delivered because of pressures on the BLIL hotline team (through increased call volumes). There have been on-going discussions regarding directing Croydon telephone services through BLIL.
Identify an internal project champion	✓	5	Champion was identified, but anticipated meetings with Croydon champion didn't occur because of time pressures
A commitment for future working	✓	8	The project has been successful in establishing a strong working relationship. BLIL has committed resources to future working

**Table 7.6: Impact against BERR strategic objectives**

Objective	Comment	Impact
Test how BSSP will actually work on the ground	While the project didn't demonstrate any actual products, partners believe that the crucial issue for BSSP was to test collaboration in the process of business access to BSSP. The project has demonstrated that partnership working is achievable, and the processes have been improved over the lifetime of the project.	7
Show how local authorities can utilise and benefit from the programme	The project showed that there can be cost savings for local authorities if the diagnostic role is carried out by Business Link. There are also potential cost savings for a shared business access process, with the added benefit of a more coherent offer to local businesses.	6
Share best practice lessons among all partners	A positive output of the project was the committed to disseminating best practice widely among partners.	9
Help ensure that the business support products currently being developed meet the requirements of local government	Some products were looked at in the process of the project (as included in this report), but this process was not as extensive as anticipated.	4

**Table 7.7: Impact for Business Link in London**

Strategic Aim	Description	Impact	Comment
Serve even more customers	Deliver an additional 20% increase in Market Penetration and Intensive Assist outputs above Year 1 contractual levels, and significantly increased awareness and understanding of the newly articulated BLIL Customer Proposition	6	Project lays the foundations for a closer working arrangement with LB Croydon, that could help achieve this target in future
Serve a greater proportion of established businesses	Increased focus on serving significantly more established businesses, particularly those with demonstrable growth potential.	6	Diagnostic (business review) referral process currently targets businesses trading for over 12 months
Establish BLIL's market-maker role	Ensure BLIL's market-maker role as the 'mainstay of business support in London' through more customers brokered to appropriate public, private and third sector delivery partners.	7	Collaboration on business reviews and referrals improves BLIL profile.
Improve the quality and increase the impact of the IDB service	<p>Improved the accessibility among minority owned businesses, socially excluded or disadvantaged communities.</p> <p>Increased the proportion of person-to-person delivered services and improved targeting of high growth potential businesses.</p> <p>Improved the quality and consistency of the business advice and information provided to all customers by BLIL.</p>	7	The closer relationship between BLIL and LB Croydon assists BLILs strategic aim because of the prevalence of BME and socially excluded groups in the borough. The prioritisation of business reviews assists the person-to-person aim, and the partnership with LB Croydon assists the improvement process for BLIL.

Table 7.8: Impact for Croydon Business<sup>9</sup>/Croydon Enterprise

Strategic Aim	Comment	Impact
Assist existing businesses to grow and to retain business in Croydon	The project addressed two of the main processes in place in Croydon to achieve this aim: business diagnostics for established businesses (trading for 12 months plus); and referral to the most appropriate services for businesses. It fundamentally seeks to improve the processes in place in Croydon to enable businesses to access these services, and there are a number of improvements to local processes that have been achieved as a direct result of this project.	8
Encourage even more people to think of starting their own businesses; to get more people to start a business and for a greater proportion of those businesses to be successfully trading after one year.	The demonstrator project has not directly addressed this aim. However, it is anticipated to lead to two factors that will have an indirect benefit on achieving this objective:  1. The improved processes in the borough will make it easier for new businesses to access support 2. Cost savings arising from reducing duplicated services could be reallocated to other support activity	6
To increase the entrepreneurial potential of all communities across Croydon and, in particular, key target groups	The project is yet to demonstrate an impact against this strategic target. It is anticipated that a closer working relationship with BLIL will be beneficial, however, in terms of delivering an improved service to communities and key target groups.	6
To support the creation and survival of new businesses, the sustainable growth of existing businesses and reduce the failure rate of business across Croydon	The project has demonstrated that the referral process can work, and the performance suggests that the process has improved over the 4 month period. The priority for business reviews supports this strategic aim.	7
To support the development of an economic environment that attracts inward investment and franchising opportunities into Croydon, making best use of local labour resources	The process will potentially assist this long term strategic aim for Croydon.	5

<sup>9</sup> 2 of 5 strategic aims for Croydon Business are included for comparison, and are taken from the Business Plan Mission statement. The Croydon Business Strategic aims are *italicised*.

## 8 Extended activities

Further to the agreed objectives of the project, and the commitment to actions highlighted above, there is a commitment from partners to extend activities in a number of areas:

- The project has developed a first jointly branded leaflet between BLIL and Croydon promoting VAT registration.<sup>10</sup>
- Closer collaboration on assistance to businesses adversely effected by the economic downturn
- Partners have developed a joint workshop focusing on Disabilities issues for businesses.
- There is a commitment to partner on a workshop programme in Croydon, where BLIL will provide the content, and Croydon Business will provide the venue. Both partners will jointly market the events.
- Croydon partners are now invited to BLIL area management meetings to discuss operational issues.
- Website collaboration: The demonstrator project also led to improvement in how the partners utilise their websites. To reduce duplication, some 200 links on business issues from the Croydon Enterprise website were directly linked into business information and advice hyperlinks/webpages on [www.businesslink.gov.uk](http://www.businesslink.gov.uk) and the BLIL websites. This created a 'win-win-win' situation as; small businesses will find it easier to access information, Croydon Business/Croydon Enterprise saved time and money, and BLIL delivered more effective advice through its websites.

These collaborations have assisted both partners to achieve marketing and cost savings, as well as improved exposure to local businesses (by reducing duplication).

The commitment to extend partnership working from all partners has been apparent throughout the project. Partners have discussed other collaborative working opportunities at some project steering group meetings as the project has progressed, and a number of meetings have taken place outside of the project to take ideas forward. Areas for collaborative working that have been explored include:

- Croydon Business hotline can be configured to allow clients to go straight through to BLIL hotline if that support will be more beneficial to them. This way the local Croydon hotline can continue to offer the one stop line for all business enquiries in the borough.

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<sup>10</sup> Unfortunately, at the time of writing, the leaflet went to print without the Croydon Enterprise logo.

## 9 Conclusions

This section sets out the overall conclusions emerging from the project, lessons learned, and responds to BERRs specific questions in relation to the LEGI programme.

### *Conclusions*

The overall conclusions are as follows:

- The demonstrator project has shown the BLIL and Croydon partners can establish and improve a service process to local businesses, which should lead to a smoother and more appropriate customer journey for businesses.
- There can be cost savings associated with improved partnership working
- Closer partnership arrangements lead to more collaborative working opportunities – a virtuous circle
- It is not fully clear if this process will be more popular with local businesses, as the referral figures indicate a decrease on the number of follow-on services taken up by businesses
- There is an important local element to business support delivery
- That the BSSP needs to be introduced taking into consideration the process issues that the project has identified
- There is a large volume of services available to businesses in Croydon, mainly due to LEGI. The Government should therefore anticipate that there will be significant differences in resources allocated for business support between local authorities. The BSSP processes that emerge should be able to allow for such resource differentials.
- There are some issues with the BLIL referral process that need to be resolved for BSSP to progress.
- Key issues remain over the matter of branding, including the ability for local authorities to co-brand Solutions for Business products – which will be critical in the context of Comprehensive Area Assessments – and with options for private sector co-branding, which is yet to be factored into the Solutions for Business guidance.
- This project placed a spotlight on the actual the actual operation of business support services, which gave the impetus for closer collaborative working. The improved relationships broke down some of the previous local authority/Business Link barriers, but it is imperative that all partners maintain the relationships after project close.
- The Memorandum of Understanding formed the basis of the project, and is a good benchmark to establish the partnership between Business Link and a local authority. The Memorandum would benefit, however, from more defined target outcomes.
- The project provided an estimated saving to LB Croydon of £7,975, which is funding that Croydon Business would have spent on diagnostic business reviews.

### *Lessons Learned*

- It is important to ensure that partners are working to an agreed protocol, and that the process issues arising from the protocol are identified and addressed as quickly as possible.
- Information sharing processes between the organisations are restricted by data protection issues

### *Response to BERR questions on LEGI*

Section 4 outlines two key questions that BERR were keen to answer through the Croydon demonstrator process – these were:

1. What were the implications for the way Croydon provides information, diagnostic and brokerage support utilising LEGI?
2. What arrangement, contractual or otherwise, is there between BL and Croydon Business/Enterprise in providing outreach activities via LEGI?

The implications arising from the demonstrator for the way Croydon provides IDB utilising LEGI are as follows:

- Croydon partners spend some LEGI resource on access and IDB services for local businesses, although these services are provided by BLIL. Closer collaboration between BLIL and Council's will help to identify how closely the two organisations can work together, and where this sort of duplication of service can be minimised.
- It is difficult to differentiate the need for business to access Council services to the need for businesses to access Council business support services. Further work needs to be carried out on how the access process required by BSSP will fit with Council information access processes.

As for the second question, there are not any formal or informal contractual arrangements between Croydon partners and BLIL in providing outreach services for LEGI. The partner commitment to joint working emerging from this demonstrator will potentially impact on LEGI services to an extent (for actions such as joint event planning and delivery, and improved information processes) but this will not involve actual formal contracts.

## **Appendix 1 – Case Study**

### **Business Support Simplification Programme – partnership between Business Link in London, Croydon Enterprise and Croydon Business Case study: One Olive Ltd T/A Prior Sourcing**

Mike Prior has worked in fashion and retail since he was 17 years old and his vast experience in the sector helped give him a strong foundation to set up Prior Sourcing in 2007 and take the plunge to become self-employed for the first time.

Prior Sourcing sources and supplies branded merchandise to a variety of domestic and international customers, including clothing and accessories ranging from jackets, hats, t-shirts and flags. Supply includes sourcing ready-made products from well-known brands and manufacturers, such as Fruit of the Loom, Hanes and the Russell Corporation and customising them via print, embroidery, labelling and packaging. However, the company's expertise lies in the design and production of bespoke items sourced from countries like China, Turkey and Bangladesh, made exactly to the client's specification. The company has long provided merchandise to established clients including Aston Martin, Ferrari and Suzuki, as well as to big events such as the Rolling Stones and ACDC concerts.

#### **New beginnings**

Ironically, circumstances helped Mike make the move into self-employment as in 2007 the company he had spent 20 years working for ceased trading and Mike – who was the company's director of sourcing at the time – was made redundant at the age of 48. However, though this might have been seen as a disaster for others, Mike turned this into a positive opportunity. Within 2 weeks of being made redundant he signed on for unemployment benefit and took advice at the local JobCentre to consider his options. But, spending 20 years working for a medium sized company and being responsible for 72 employees, Mike was not happy to be underpaid or take up a role with a lack of significant responsibility. Mike considered his options carefully and within a month of being made redundant, decided the best course of action was to take a leap of faith and set up his own company, building on the experience, commitment and contacts he had built up over the previous 20 years.

#### **Getting support to move forward**

Croydon Enterprise was Mike's first port of call and he signed up for their 'Start Your Own Business' course. This is a course run over 5 weeks– once a week – focusing on helping new entrepreneurs learn the basics of starting their own business. It focuses on issues such as business planning, finance, marketing and pr. Mike is adamant that despite his prior business experience, courses such as these, "gave me the tools to go for it." He also thinks the course was "very inspirational" and helps to boost participant's confidence showing them that it is possible to work for yourself and be successful, even if you have not been self-employed before.

Late in 2008, Mike also used a Business Link Advisor provided through the partnership between Croydon Enterprise, Croydon Business and Business Link in London, to help focus his own mind on important areas such as business analysis,

company systems and 'house' discipline. Sessions took place over "a period of time", helping Mike to look in greater detail how the company was performing and where he really wanted Prior Sourcing to go in the future. Important for Mike was the fact that the Business Link Advisor valued and respected his own previous experience, but also had a lot practical experience and success of their own in the past. The Business Link Advisor worked in partnership with Mike to help produce a business forecast, giving the company some clearer targets to achieve. In addition, the service also identified additional financial support and assistance for Prior Sourcing that could help the short-term goals of the company.

### **Enjoying success**

Mike feels that the services, advice and time he has been given by Business Link in London, Croydon Enterprise and Croydon Business, has been invaluable in helping him move forward with his ambitions and already achieve significant success within two years of starting up.

Though the recession is affecting many businesses, Prior Sourcing is actually taking advantage of the downturn, and the company's profits are forecast to quadruple in 2008-09. In the main, this is due to very low overheads that Mike has focused on implementing, but he also feels that his time with Business Link in London Croydon Enterprise and Croydon Business has given him the extra boost of confidence and focus needed to achieve his goals.

Despite being very busy with running his company, Mike happily takes the time to read the frequent e-communications (and attend events) from Business Link in London, Croydon Enterprise and Croydon Business, as he thinks they invariably contain good advice and tips.

If Mike had one key tip to give other entrepreneurs starting up or trying to cope during the current recession, it would be "there is a lot of support out there so make use of it, as a lot of it is free as well. Take the leap; don't be afraid as using these services can be massively reassuring and instructive."

## Appendix 2 – List of Croydon business support services matched to BSSP products (July 2008)

*Below is a list compiled in July 2008 and submitted to the London Transition Management Plan team. Please note that there may have been some alterations to actual product names since the date of compilation.*

Name of Project/Scheme:	Activity covered by which of the new BSSP products?	Comments:
Beauty and Complementary Therapy Centre	Skills Solutions for Business	Croydon Enterprise/LSC funded
Bespoke Training	Skills Solutions for Business	Croydon Enterprise funded
Built to Compete	Business Expertise	Croydon Enterprise funded
Business Friendly Planning Service	None	Croydon Enterprise funded. No direct match, but is relevant to the BSSP scheme
Business Start Up Training	Business Creation	Croydon Enterprise funded
Commense	Local Community Business Coaching	Croydon Enterprise funded
Construction Skills Centre	Skills Solutions for Business	Croydon Enterprise funded.
Clusters	Business Collaboration Networks	Croydon Enterprise funded.
District Centre Managers	Business Collaboration Networks	Croydon Enterprise funded.
Generic Business Support	None	Croydon Enterprise funded. No match at present, but an essential service to businesses
Ideas into Business	Business Expertise	Croydon Enterprise funded.
International Trade	Preparing to Export	Croydon Enterprise funded. Links to other product offers
Property Brokerage	None	Croydon Enterprise funded. No direct fit to current scheme
Business Development Loans	Debt Finance	Croydon Enterprise funded.
Croydon Business Angels	Risk Capital Targeted at the Equity Gap	Croydon Enterprise funded.
Finance for Enterprise	Debt Finance	Croydon Enterprise funded.

Name of Project/Scheme:	Activity covered by which of the new BSSP products?	Comments:
Norbury Manor enterprise learning facility	Skills Solutions for Business	Croydon Enterprise funded. Awaiting confirmation of actual link (some potential business beneficiaries)
ENVIBE Programme	Resource Efficiency and Sustainable Waste Management	Croydon Council specifically branded service
Recycling	Resource Efficiency and Sustainable Waste Management	Croydon Council provided service
Inward Investment	Getting the most from Foreign Direct Investment	Core Croydon Business service
Business Improvement District (BID)	Business Collaboration Networks	Core Croydon Business service, but part owned by private sector
Business Growth programme	Business Creation	Core Croydon Business service
Business Premises Improvement Scheme	Capital Investment Grants	Croydon Business service, but minor grants provision.
Business Support Hotline	None	Core Croydon Business service
Development of New Businesses	Business Creation	Croydon Business service, with part LDA funding
Mentoring	Business Expertise	Croydon Business service
Networking Events	Business Collaboration Networks	Croydon Business service
Enterprise Opportunity Centres (x6) (EOC)	Shared Business Support Environments	2 EOCs are now open. The rest in the pipeline.
E-Commerce	Business Expertise	Croydon Enterprise funded

**Business Support Simplification Programme**  
**London Borough of Newham Demonstrator – Update Report**  
**April 2009**

**Key points:**

The Demonstrator has helped raise local awareness and understanding of how BSSP can help to achieve service improvements and deliver local objectives, brought key delivery partners together to think about how they can work together more strategically and established operational links between partners. Partners have agreed some practical steps that they will take forward in the coming months to achieve a more integrated approach that will be necessary in order to deliver the BSSP at a local level.

There has therefore been real progress in establishing the basis for taking forward the BSSP in Newham and identifying the enablers and barriers to doing this. This compares to the outset of the demonstrator when the feeling was that BSSP would be too inflexible to cater for the unique local situation in Newham and would threaten long-standing delivery and client relations. As the LDA, Business Link in London and other partners start to implement the BSSP framework in London, Newham partners are in a position to build on the demonstrator experience to ensure that this supports local objectives.

Nonetheless, it remains the case that more confidence needs to be developed amongst local partners that the BSSP will indeed deliver the benefits that it promises and in particular provides the local authority with a framework that will help it to deliver the economic outcomes as set out in its LAA. Whilst discussion has focused on ensuring that services do not duplicate and overlap, more effort is required to arrive at a situation where all partners feel confident enough to achieve greater collective impact.

The messages from local and regional partners to BERR focus primarily upon the effort that is required to understand, communicate and implement the national framework at the local level. This is particularly the case in an area such as Newham which has both quite unique social and economic characteristics and a long standing pattern of service delivery. Changing this will not happen overnight and requires a degree of investment in understanding **what** changes need to be made and **how** this can be achieved without jeopardising local relationships and strategic objectives. The next few months will provide a good indication of how the right balance can be struck.

**Purpose of Newham Demonstrator**

The purpose of the Newham demonstrator is to understand how the borough's local strategy aligns with the BSSP framework and interacts with regional and national services. Beyond the driver to achieve compliance with BSSP, other key factors are:

- Responsibility of LB Newham to achieve the outcomes of the LAA, notably with respect to VAT registrations.
- Requirement of BLiL to meet contracted targets and ADP requirements for market penetration, intensive assists and diversity/equalities.
- Delivery requirements for LDA funded programmes that operate in the area, notably the Business London, Access to Finance and CDFI activities in which East London Small Business Centre (ELCBC) are a core provider
- Shared priorities for maximizing the benefits of the 2012 development that is predominantly located in the borough

Whilst generally supportive of the BSSP principles, LB Newham and local and regional partners are keen to understand not only how the BSSP might be delivered in practice but also to ensure that it can help support these other key drivers.

### **Economic and social context**

- LB Newham contains 4,840 PAYE/VAT registered businesses<sup>11</sup> of which around a quarter are less than two years old. In June 2008, there were 9,700 self employed Newham residents, 5.8% of active population (compared to 10.8% for London).
- Total employee jobs (i.e. excluding self employed) 72,600 (ABI, 2007)
- In 2004 Newham was ranked the eleventh most deprived area in England and Wales and the fourth most deprived borough in London.
- The 2001 census shows that Newham has the largest proportion of non-white ethnic groups in the country. Almost two-thirds (61 per cent) of Newham's population are people from ethnic minority communities.
- Unemployment in Newham is slightly higher than in London as a whole and considerably higher than the rest of England and Wales. Economic inactivity in Newham is 11% higher than in London and 14.5% higher than in England and Wales.
- The level of business activity in Newham is also significantly below average. Job density (ratio of number of jobs per resident) is currently 0.5, well below the London average of 0.9. The number of VAT registrations is 34 per 10,000 people compared to a London average of 99 per 10,000 people.

### **Delivery and funding context**

- There is a long standing history of local enterprise and business development in Newham. The area has long been a recipient of economic development resources, reflecting the economic and social challenges in the borough

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<sup>11</sup> 4,450 stock VAT registered businesses 2007

- The borough also contains long-standing delivery organisations, notably the East London Small Business Centre which celebrates its 30th anniversary this year and is the oldest enterprise agency in the country
- There are a range of local economic development imperatives, largely driven by the location of the 2012 Olympics in the borough
- These are reflected in the borough's LAA which highlights the need to use the Olympics to strengthen the local business base, creating new local jobs, especially in the light of larger businesses relocating out of the borough to make way for the 2012 development
- The Newham context is therefore quite different to that of other boroughs that are not experiencing the same rate of change, that have a very different business base and that do not have such long standing funding and delivery arrangements

### **LB Newham Local Area Agreement**

The unprecedented public and private investment in local infrastructure, transport, buildings and skills will attract new business to Newham and invigorate existing businesses, leading to a legacy of long term business growth.

However, the targets set in the Enterprise section of the LAA are cautious, reflecting the impact of compulsory business relocations and associated job losses that will be experienced over the three years covered by this LAA. Notwithstanding the current economic downturn's affects on the LAA targets, investment in Newham's physical environment is resulting in a temporary but still quite sharp reduction in Newham's commercial property portfolio.

In addition to the impact of the 316 business initially affected by the Olympic relocation, a further 30 properties are currently engaged in a CPO process in relation to the Crossrail development and a number of town centre properties of all planning classifications are to be closed down and redeveloped in at least 4 major development locations over the next 3 years.

To counteract this, in order to increase the level of business activity in the borough and increase the number of jobs in the borough, a number of local partners including the Council, are delivering support to the business community:

- London Borough of Newham's business support team are the local authority liaison with its existing business community and any entrepreneurial residents providing information and advice to local businesses on a range of issues (beyond standard business support). All areas of the Council from its Councillors, through all levels of officers feed enquiries from businesses or residents through the team for responses in addition to the enquiries developed via the Council's on line facilities, call centres or directly e.g. via the 4 town centre managers.
  - With regard to direct business support London Borough of Newham via Section 106 funding is investing in activities to stimulate enterprise and entrepreneurial activity

in the borough to help balance the loss of the businesses relocating over the next 3 years, to be in a position to take advantage of the new office and retail space in the various developments around the borough.

- There is a contractual relationship with East London Small Business Centre to deliver business support advice to residents at the pre-start stage through the various stages of growth targeting under-represented groups. This is delivered as an enhancement to the pre-existing Business London contract between the LDA and the HELP consortium and is linked to the council's unique public-private partnership job finding service Workplace which has placed more than 2,000 local people into work since May.
- The business support is delivered via the Business place Enterprise Centre in Stratford which is a partnership between LBN, ELSBC and the local RSL, East Thames Housing Group. There is also outreach support provided at the Council's second Workplace hub in Canning Town.
- The Council also provides bespoke supply chain/procurement support via the East London Business Place initiative. A public / private partnership between 10 local authorities, Canary Wharf Group and 30 private sector organisations ranging from BT, Citi Group, Linklaters to UBS and Coca-Cola. This not only provides procurement training but also access to contract opportunities from partner procurement needs.
- East London Small Business Centre provide a wide variety of services including advice about access to finance; business start-up; incubator space; micro-business support; premises search. They also nurture business to business trading and provide key business support links.
- Newham College for Further Education provide a range of services to business and in particular has specialised in providing services that target businesses run by people from minority ethnic groups.
- University of East London's Knowledge Dock Business Centre provides incubation units and business office space to start-up and developing businesses, complemented by a range of business support services.
- Business support providers including the above organisations, Business Link for London and representatives from business groups such as the Chamber of Commerce also sit on a coordinating body which meets every 2 months – the Newham Business Support Network in an attempt to encourage joint working and prevent duplication of effort.

### **Service Patterns in Newham**

- LB Newham provides information and advice to local businesses on a range of issues (beyond standard business support). The Council's business team handles on average 250 telephone based business support enquiries a week covering basic pre-start up business advice; property search functions for start-ups, existing businesses looking for

move on space or inward investment enquiries, procurement advice both to the Council but also to other developments in the borough.

- An exact breakdown of the figures is unavailable due in part to the nature of the work carried out. For example LB Newham town centre managers, currently part of the business team for the Stratford, Green Street, East Ham, Forest Gate and Canning Town retail districts maintain ongoing working relationships with over 3,000 retailers and town centre based businesses.

### Business Link for London

		White/British	Ethnicity not known	BAME	Women	Disabled
<b>Served *</b>	<b>4,683</b>			<b>2435</b>	<b>1,077</b>	
<b>Established businesses (over 18th months)</b>	<b>1,790</b>					
<b>Start-Ups (under 18th months)</b>	<b>354</b>					
<b>Intensive Assists **</b>	<b>230</b>			184	85	
<b>Established businesses (over 18th months)</b>	149					
<b>Start-Ups (under 18th months)</b>	<b>47</b>					

\* Defined as 'market penetration' – i.e. unique customer interactions with the Business Link service which comprise 'meaningful usage' of the service, including attendance at BLiL events, getting non-trivial information through web/phone channels, subscription to and subsequent use of BL services

\*\* Interaction comprising at least 2 hours of BL advisor time, agreed written action plan and planned, meaningful ongoing relationship with BL

## East London Small Business Centre (Newham)

		White/British	Ethnicity not known	BAME	Women	Disabled
Enquiries	1032	72	416	454	261	50
One/One Business counseling sessions #	1287					
Clients	718	86	72	560	299	51
Micro businesses (over 18 months)	95	15	8	72	38	4
New Start ups	54	5	3	46	21	4
of which Franchises	4	0		4	2	0

### # - Minimum of 1 hour

- East London Small Business Centre provides a range of services to local businesses. These align closely with the SfB portfolio and so interactions are much more intensive than the IDB service provided by BLIL
- An important function of ELSBC's role in economic development is the loan funding to budding entrepreneurs whom may sit outside the mainstream routes to capital and revenue such as high street banks. During 2008, ELSBC provided loan funding to business of £174,300<sup>12</sup> and has recently been chosen as the London wide deliverer of the LDAs Access to Finance programme.

### Key issues identified

- Referrals – a feeling from partners that there were insufficient referrals between BLIL and local services (both from and to Business Link) or that the referrals were not of the right type
- Lead generation – related to referrals but concern about how clients will access the portfolio under the new framework and what works best for Newham, given the diversity of its population and businesses, and whether overlap of IDB services is an issue in this respect
- Performance Measures - In there is a seeming disparity - or misalignment? - between the performance measures for Business Link in London which are set as part of the National Business Link Performance Framework (focused on customer volumes and service satisfaction ) and those set by the LDA for the Business London Programme

set by the National RDA Tasking Framework. The latter are geared towards outcomes and impact and therefore align more closely with those of LB Newham and other local authorities via the Local Area Agreements and delivered through organisations like East London Small Business Centre (Outcome focused).

- Meeting local objectives – a key issue for LB Newham and other local authorities is to be clear how the BSSP framework can help it to meet its local objectives, including the specific targets of increasing the number of VAT registrations in the borough which form part of the Local Area Agreement. A related issue is how this can be achieved in the short term during the downturn in the economy.

### Addressing these issues

- Referrals – it was agreed that more can be done to enable smooth referrals between different organisations. However, more analysis of service patterns is required to understand whether current referral volumes are particularly low; given service patterns, this may not necessarily be the case. The issues of whether the ‘right referrals’ also needs to be explored and whether partners are fully apprised of the services that each provide so that clients are not sent down the wrong path.
- **Action: increased joint working agreed through BLIL MOU and joint venture arrangements will ensure more integrated working, better understanding of service offers and increased confidence in referral channels.**
- Lead generation – analysis of service patterns suggest that many leads are self generated by different organisations and that this may be a reflection of operating in Newham where higher levels of outreach are required.
- **Action: further analysis of service patterns to determine how the customer journey works for different parts of the Newham market and adapt lead generation activities accordingly.**
- **Performance Measures** – It has been difficult to analyse how the different services to business can operate collectively to meet local objectives given the differing performance frameworks (and therefore delivery incentives). This issue needs to be resolved so that the targets set for the Solutions to Business products and Business Link delivery clearly align with the targets for business and enterprise support and development at a regional development and local authority level and enable a co-ordinated and collaborative response.
- **Action: Agreement of standardised performance e framework to be developed by BERR and the RDAs that can incorporate local objectives as set out in LAAs**
- Meeting local objectives – the LAA sets out a framework for how better performing businesses can help achieve a range of local outcomes and there is a specific target relating to increased VAT registrations

- **Action – operational MOUs outlined above to incorporate local objectives where possible; BLIL and LBN to assess in particular how VAT registration uptake might be encouraged; LDA will cascade BSSP performance management framework when agreed.**

## **Summary of experience and learning from the Demonstrator project**

Local awareness of the BSSP was fairly low prior to the Demonstrator project and activity has focused primarily on understanding how the new framework could be implemented in the context of well established local relationships and delivery. For example, it has not been possible to test new patterns of delivery in practice.

In thinking about how current delivery would need to change to meet BSSP requirements, the key issues relate to:

- how business support is accessed in Newham, especially in the light of the diversity of the population and its business base
- which segments of the market are being targeted and how leads are generated
- how current services align or not with the SfB portfolio
- how services or products are packaged together to meet the needs of different segments
- how different providers work together and deal with issues such as client referrals
- how business support services interact with local economic development objectives and how BSSP can help to deliver these

The demonstrator project has felt to have been successful in:

- Increasing local and regional understanding of the BSSP and how it can positively assist in achieving local objectives and providing a better service to business
- Enabled the key organisations to think through the above issues, to establish working relationships that did not exist previously and to agree to put into operation through formal agreements

Areas of work that require further development include:

- More confidence that BSSP will achieve a better experience for the client and not lead to an unnecessarily long customer journey
- More confidence that BSSP will help to deliver local LAA targets in challenging economic and social circumstances
- Maximising the role of Business Link in a way that complements and optimises existing delivery relationships

Areas that local and regional partners will take forward as a result of the demonstrator include:

- Mapping business support services according to SfB headings
- Ensuring that all local services are captured in BLiL templates for inclusion on their solutions database
- Ensuring that web links to BL.gov are in place and use of on-line channels promoted and optimised where appropriate
- LBN to work with BLiL to establish joint working according to their template MoU and in particular to consider how BLiL can assist in driving up VAT registrations in line with LAA target
- LDA to absorb lessons from demonstrator work in future design of services and informing Local Authority Guidance Note

Areas recommended for further consideration by BERR include:

- understanding that the link between the national BSSP framework and local objectives still remains unclear in a number of areas and that it will take time to establish how this will be done in practice
- that in an area such as Newham, much of the focus will be on very small businesses, those starting a business or thinking of starting a business; this will comprise only a limited number of SfB products and access channels other than Business Link. Some of the 'problems' identified by BERR and which BSSP seeks to address are less relevant in this kind of context
- the 'growth' oriented focus of the SfB portfolio is not appropriate in the current economic climate and may hinder its use by LAs

London Borough of Newham  
Business Development Team  
April 2009

## **Nottingham City Council Demonstrator Final Report**

The aim of the demonstrator was to look at the enterprise ecologies pilot, for stimulating enterprise in disadvantaged communities, which was developed following a report for the Three Cities group in the East Midlands (Leicester, Derby and Nottingham) in 2007.

Central to this approach is that different areas are likely to experience different forms of deprivation, and that enterprise policy should work in different ways in each area. It is currently being piloted in three areas of the city (and one in Leicester). The pilot runs until March 2010 when, if successful, it may be rolled out across the City.

The delivery of the Enterprise Ecologies pilot in Nottingham has been contracted to East Midlands Business Ltd (EMB), the East Midlands region's Business Link service provider. EMB has, in turn, sub-contracted delivery to Nottinghamshire Business Venture, a Business Link branded approved emda contractor for, delivering start-up services. This has a number of advantages for the City Council:

- Using the regional provider of Business Link reduces the possibility of confusion or duplication of activity.
- A comprehensive reporting system was already in place for the project, i.e. emda's CRM system, the Regional Business Support Information System (RBSIS).
- Using the existing manager of the start up provider network is cost effective.
- By contracting with EMB, the funding for the pilot is being spent on service delivery directly and any additional management costs are being absorbed by emda as part of their main contract with EMB Ltd.
- Estimated cost savings of around £85,000 a year.<sup>13</sup>

The pilot in Nottingham has been characterised by good relationships between all parties. Emda have been very supportive of the project and monthly monitoring meetings with EMB, including feedback from the outreach workers, have been constructive. The Project Manager has positively commented on the flexibility to tailor the delivery of the project in response to the needs of the individual communities.

A comment from a resident in Lenton being supported by a Community Business Adviser: "I suffer from fibromyalgia and was unsure if and how I could take my business idea forward. However, I have received the practical support and confidence boost that I needed in order to progress with my dream of helping others".

The pilot has also been a source of information about barriers to starting up a business. Unsurprisingly, this includes the fact that people in deprived areas lack even small amounts of funding needed to get even to the pre-start up stage.

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<sup>13</sup> Based on annual salaries for 2 Business Advisors and 1 Project Manager, plus £10,000 for CRM system to manage outputs. This does not include the cost of marketing for recruiting onto the programme.

## **ISSUES**

### **Compatibility with SfB Portfolio**

Nottingham City Council and emda have been working on mapping the Enterprise Ecologies project against the Enterprise Coaching product in the Solutions for Business portfolio. Their conclusion is that the main part of the activity proposed (the pre-pre start) fits within the product portfolio, under Enterprise Coaching. The small grant provision is to be managed by EMB and would fit under the Intensive Start-up support, therefore the application of this grant provision needs to align with the product descriptor

### **Potential Conflict of Interest**

The interim report on the demonstrators produced by John Deegan in September 2008 raised the issue of a potential conflict of interest because the Business Link contractor is doing more than pure IDB under this procurement model. However, this has not been an issue in practice, presumably because EMB subcontracted to local deliverers and its role has essentially been one of contract management.

### **Roll out**

Nottingham City Council are currently trying to source funding to roll the project out across the rest of the City. This will necessarily need to be done through a competitive tendering process for the outreach work. If contracts are won by organisations other than the Business Link provider resulting in different providers delivering for the same product in different areas of the same city, the Council is unclear whether this might be considered contrary to business support simplification.

### **Branding**

Because of the community based nature of the pilot, the decision was taken not to develop a separate brand for it. The publicity material used (example attached) focussed on individual community outreach workers, likely to be known in the relevant areas, and the Business Link brand. The material does not include the Solutions for Business brand, which had not been developed when the pilots started.

This approach is an extension of emda's position that the Business Link brand is the gateway to business support and the products that sit behind it, providing a seamless service to the client.

### **Lessons learnt**

Negotiations on the contract with EMB were difficult as a management fee was only mentioned at the last minute. This, along with other delays within the planning stages, resulted in a delay to the start of the project, which in turn meant that Derby City Council lost their funding for the pilot and had to pull out. This issue was only resolved when emda agreed to absorb the management fee.

EMB were not directly consulted until further into the planning process, therefore the issue around links to the Business Link brand, resourcing the contract management, and their role within the process, was not fully explored by all partners. As a result this led to some early difficulties but through a constructive approach by all partners, this was resolved

The presence of committed individuals in Nottingham City Council, emda and EMB was central to the success of the pilot.

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## I'm Samina Kauser, your local community Business Adviser in Lenton

I can help you access FREE,  
friendly support that is  
designed to develop new  
businesses and tailored to  
your individual needs.

Contact me to arrange a  
face to face meeting or  
join one of my local  
workshops to find out  
more about how I can  
help you kick start your  
business ideas.

Business Link -  
supporting enterprise  
in your local community.



For all the latest local information about starting your own business  
Call 0115 964 8483, email [samina@nbv.co.uk](mailto:samina@nbv.co.uk)  
[www.thinkbusiness.org.uk](http://www.thinkbusiness.org.uk)



supporting the Business Link Start-Up service delivered locally by NBV  
Business Link provides access to all the information, advice & support needed to start, establish and grow your business

