



**Response from the Partnership for Urban South Hampshire (PUSH)
to
SEEDA's draft "Business Support Strategy (BSS) for
the South East – Initial Scoping Paper"**

PUSH welcomes this opportunity to respond to SEEDA's draft "Business Support Strategy" (BSS) and wishes to work with SEEDA on its development.

The organisation of future business support is critical to PUSH in seeking to deliver significant improvements to South Hampshire's economic performance.

PUSH welcomes the SEEDA Scoping Paper as a valuable contribution to the debate regarding business support in the region.

We would agree with the principles of the BSSP and the Government's intention of providing greater clarity for businesses by reducing the number of nationally available schemes it offers.

PUSH is committed to both the Business Support Simplification Programme (BSSP), which is embedded in its current business plan 2008-2011 and its close working partnership with Business Link (BL).

This response is a means to demonstrate a fully inclusive, joint development, of the Business Support Strategy to ensure that aims, common to both the PUSH Business Plan and the SEEDA RES (Regional Economic Strategy), are achieved.

The comments outlined below are cross referenced to the appropriate sections of the report and may be further addressed in the developing strategy however; these are raised at this initial stage to ensure they are considered.

1. Initial Overview:

- 1.1 Further comment on the criteria for the selection for the delivery agencies and the perceived Local Authority (LA) involvement in their procurement is needed.
- 1.2 The future relationship between the proposed structure and other sources of business advice from Local Government (e.g. planning, trading standards, business libraries) needs further clarification. There is concern that businesses with multiple queries may be sent direct from a LA to BL and back again if LA's are not part of the initial diagnosis.
- 1.3 The overall funding relationships between SEEDA, BL, PUSH and the individual LA's with regard to business advice and economic development funding are not fully clear and as regards individual LA funding commitment.
- 1.4 PUSH is interested in the next iterations regarding the 18 services within the advice portfolio and would welcome involvement in any further development particularly with regard to "hard to reach" groups, for example, ethnic minorities.

- 1.5 With BSSP all under the BL brand, it is the view of PUSH that we have developed valuable partners within our individual areas and that wherever possible their considerable contribution needs to be recognised, rather than being subsumed within a single brand.

2. Context:

- 2.1 The draft strategy refers to Business Link as the access route to business support services. If this means that, in general, businesses looking for specific forms of assistance will be signposted to Business Link, where their needs will be diagnosed, and then “brokered” to other agencies (including LA’s) this would seem sensible. However, it is in the grey area of ‘market-making’, such as training workshops, seminars, supplier searches etc that care needs to be taken as to whether such activity is simply a means of generating enquiries or direct delivery of services. Further clarification on this point is sought.
- 2.2 With reference to paragraph 3, there is a presumption that RDA’s will delegate funding to the LA’s (or indeed PUSH as a single partnership), but no guarantee. However, page 8, 4th bullet point states that “SEEDA investment should attract additional resources from sub-regional partners”. Clarification is therefore sought on the funding process.
- 2.3 PUSH is concerned that there is a lack of clarity with regard to the funding mechanisms for BL, its procurement arrangements for preferred delivery providers and also funding for LA’s and PUSH. Therefore, there needs to be clear demonstration of the financial implications for PUSH and its practical joint and individual roles and economic development responsibilities within the Strategy.

3. The Regional Business Support Strategy - Scope and Key Principles

- 3.1 Publicly funded business support agencies also include charitable trusts and regeneration area specialist business advisers, specifically chosen for their unique understanding of local areas or specific communities. The proposed process to “reduce” these agencies is not clear, bearing in mind that some have been locally procured through democratically elected boards (but still funded with public money). There is concern that this is not fully in line with local democratic choice. If it is the intent of BL to now, be responsible for this type of provision (currently paid for by gifts or grants) the mechanism for paying for this is unclear, as is SEEDA’s role in any necessary arbitration between the communities concerned and BL.

3.2 Branding and marketing

With reference to paragraph 19; projects that are funded in total or part by local authority contributions, acknowledge that contribution in associated documentation. The new arrangements suggest that this will not be possible in the future.

It is unclear what exactly “consistent regional branding” is, and there are concerns that this will be the proposed monolithic model. If PUSH is to contribute financially to business support, then we should be acknowledged on communication details.

3.3 Strategic Management of Business Support

There is a concern that members of the proposed Business Support Board would have limited understanding of “coal face” delivery concerns. PUSH sees that it would be able to provide considerable input via a permanent position on the Business Support Board and would welcome developing further opportunities in this role.

3.4 Measuring success

The main concern with this section is with regard to start up figures being gauged by VAT. There are a number of businesses that start and survive without ever reaching the VAT threshold and as such cannot be captured. A better way would be to compare BL’s advice to start ups per annum versus the VAT registrations.

It is suggested that there should be further consultation on the development of measurement criteria.

3.5 Regional Customer Relationship Management and Information System (CRMIS)

PUSH feels that the local authority functions that deliver regulatory and other business facilitating roles e.g. planning, licensing, environmental health, trading standards etc should have access to the CRMIS in order to deliver an improved and joined up service to business.

4. **BSSP Transition plan – Initial Thoughts**

4.1 The Transition plan needs greater definition and explanation of BL’s development.

4.2 In addition it is noted that the proposed board has only one LA member on it; PUSH would welcome greater local authority representation.

4.3 Further clarification is sought on the arbitration mechanisms, particularly with reference to the financial implications.

5. **A process for developing the Strategy**

5.1 PUSH suggests that a selection of organisations is consulted to ensure a wide cross-section, e.g. inclusion of organisations like the Princes Trust, Enham Ability etc. PUSH has an existing partnership network and is keen to be involved as part of the consultations.

6. **Coverage**

6.1 Paragraph 33 states that “The strategy will include Local Authority funded programmes for business”. However, if we locally have an excellent provider, how does “draw within its scope” help the current beneficiaries and what does it mean? Once this has been clarified we will be better placed to determine a response to this paragraph.

6.2 Sub-Regional Coverage

Sub-regionally there is an aim to increase the number of business start ups, but in doing so we need to demonstrate our support to different and differing communities, whether demographic or geographic. A “one size fits all” will not aid the PUSH start up and business sustainability figures and there is concern that the BSS is at risk of being a cost cutting exercise, which may lead to the exclusion of the more hard to reach groups and communities.

7. **Values for the Business Support Strategy**

Duplication is a key concern, but it should be remembered that the existing surviving business advice agencies are there because the market has demanded them, or the democratic will of local people has created them. Duplication is not necessarily the case; agencies may appear similar but usually represent the needs of local geographic and or demographic communities. It is hoped that SEEDA will confirm inclusion of these areas/communities of need through the BSS.

8. **Schedule**

It is suggested that the consultation process be extended by another month, encouraging greater and more rigorous input from diverse partners.

9. **Additional Comment on Knowledge Based Industries**

- Given the importance of the knowledge economy to the PUSH agenda, we need a stronger focus on driving and supporting knowledge based business creation and growth.
- In the sub-region, we have a strong team in Business Link to provide the primary, initial interface and signposting, plus the HEI’s will continue to develop an ever stronger technology transfer capability. The combination of Business Link and the HEI’s is excellent, but we need an entity that is more business orientated and supported by the business community.
- We currently have the Enterprise Hubs, the Innovation Advisory Service and Solent Synergy Limited focusing on the knowledge economy, but with different approaches and different brands. This could be one brand that brings all of these activities together, so that we optimise the use of local resources. This approach is also more likely to maximise support from both the public and private sectors. PUSH is encouraged that this is currently being proposed by SEEDA and is the subject of a separate consultation.
- In establishing the above entity, we would need to plan for its sustainability in the long term so that it can deliver the PUSH agenda, which is itself a long term programme. Such sustainability will only be achievable with full private sector engagement, so the model must be more business orientated than is usual with a purely public sector organisation. Hence, it would need to be able to earn income from fees and delivering support to companies and also through a sponsorship programme – both of which will only be possible if it is created and managed in way that closely aligns with the private sector.