

## **Local Authorities – Business Engagement v Business Support**

### **Local authorities engage with businesses all the time.**

Firstly, they need to as they are part of the LA constituency. A mutual understanding between business and a local authority allows the authority to shape its policies with business needs in mind, and authorities therefore engage with businesses on this agenda on a number of levels and with varying degrees of formality. Examples of this working in practice include attendance at business forums or networks, consultation exercises on new strategies that affect business.

Secondly, Local Authorities engage with individual businesses because they often have a statutory duty or operational requirement to do so (for example - planning, environmental health, licensing, trading standards

### **At the same time, local authorities provide business support to individuals and businesses to start, develop and grow.**

Examples include the provision of managed workspace, enterprise coaching, grants for business or inward investment support.

This support falls within the scope of business support simplification, and there is the expectation – from CLG and BERR - that local authority funded business support aligns with the national Solutions for Business portfolio and approach.

## **What does aligning with the Solutions for Business mean?**

This means recognising that:

- Business Link is the primary access channel for all publicly funded business support - organisations delivering publicly funded business support should have a referral relationship with Business Link.
- A portfolio of 30 Solutions for Business products has been agreed nationally, and business support can only receive public funding in future if it fits with product specification(s).
- Funding partners have been working together to decide on the most appropriate regional delivery arrangements. Public funding such as Single Programme, ERDF, RDPE, LSC funding and Local Authority Area Based Grant should only be available for projects which align with these regional delivery arrangements.

From a customer perspective, the most obvious changes will be the way deliverers of business support and Business Link interact, and the way business support is marketed and branded. Some projects will change in scope, and because Solutions for Business is rooted in market failure, support will be targeted where it will have the most impact.

## How can we tell what is business support, and what is business engagement?

We understand that it is sometimes difficult to separate engagement with businesses (which is essential for LAs but doesn't need to align with SfB) from delivery of business support (which must). The following list is intended to help clarify when the support a local authority provides is engagement, and when it is business support.

### What is business support?

*Business support is 'support to a business, group of businesses, organisations or to people starting or considering starting businesses.' This includes free or subsidised advice, grants, reduced-interest loans, training and help with finding workspace. Business support helps develop entrepreneurs, businesses or organisations, while achieving broader economic, environmental or societal goals.*

This includes:

- Publicly funded activity such as a grant, loan, subsidy or service with a specific purpose of assisting a business or a person considering creating a business with any aspect of the management of the business; AND/OR with a purpose of improving national, regional or local economic growth. (e.g. Grant for R&D, Manufacturing Advisory Service, Train to Gain)
- Any business support activity provided by a charitable organisation where the funding comes from a public body such as Regional development agency or Local authority (however, any business support activity funded through donations of such charity is **not** in scope of SfB)
- Support given to potential entrepreneurs, or individuals with the potential to become self-employed or start up a micro-business e.g. test trading programmes provided by DWP/Jobcentre Plus, Enterprise Coaching delivered by or under contract to LAs/LEGI Partnerships.
- Any European Union Funding intended for business support services (such as ERDF or RDPE).

Where a mixture of private and public sector funds is used for business support then those public funds **if** separable fall within SfB scope.

Where public funding is provided to a lead provider, and then sub-contracted for delivery of business support -

### What isn't business support?

- Publicly funded guidance or other service to help business comply with regulatory or other requirements placed upon them by government e.g. Departmental or Local Authority regulatory guidance (planning, health and safety advice/training, emergency planning).

- Support funded by the private sector, the 'Third Sector' (e.g. charitable trusts and foundations), any support related to taxation, and the National Lottery. However, where the voluntary and community sector secures public funds to deliver services contained within the definition above, these **will be** in scope.
- Post offices schemes
- Regeneration activities such as shop front improvements or Town Centre Partnerships (unless it involves business support as defined above)
- Emergency planning
- Providing support to people to find employment
- Conferences, breakfast forums, 'meet the buyer', business engagement and consultation through Local Strategic Partnerships etc
- Procurement events and training is subject to some debate – but in our view, where it is about helping businesses or third sector organisations access public procurement opportunities (eg. harmonisation of procurement documents, advertising opportunities on websites) then this is **not** business support.
- Business premises – if your local authority owns business premises such as a business centre or units on a business park and these are **not** managed working environment and a gateway to business support, it is not in scope

### **So, what is engagement?**

*Business engagement refers to the engagement of constituents with one another, or with the services of the Local Authority. The initiative for engagement can be either constituent - or Local Authority led and the method of engagement can be through personal contact, online, via events or meetings.*

When a local authority meets with one or a group of businesses for the purposes of gaining a better understanding of mutual agendas, this is not business support – it is engagement. Some business networks come into this category.

When a local authority meets with a business to enforce statutory obligations – eg planning, this is not business support – it is engagement.

### **What does this mean then?**

We want to ensure that there is a clear message – some of what local authorities currently fund will be affected by Solutions for Business – but only some.

Local authorities have statutory obligations to enforce, and need to engage with businesses to deliver these objectives.

However, when a local authority is engaging in what is described as business support above, they should be doing so as part of the Solutions for Business portfolio, and ensure that there are good linkages with Business Link.

Over the coming months, One North East will be engaging with authorities to talk about the range of projects that LAs deliver, and how we can enhance – together with Business Link – the way they provide support to businesses and individuals, to make them more effective, better value for money and easier for people to access and understand.

This will mean the development of enhanced referral processes, rebranding of projects, possibly co-procurement of new projects, and targeting of services such as Business Link to meet the needs of businesses in localities.

### **For more information**

More information on the region's approach to business support simplification is available via the intranet, or on [www.businesssupportnortheast.co.uk](http://www.businesssupportnortheast.co.uk). A series of FAQs are also available on this site, which should answer most general queries.

Sub-regional reps ([hyperlink](#)) have also been identified who will be able to help you understand simplification and Solutions for Business.

For other queries, please contact Chris Taylor ([chris.taylor@onenortheast.co.uk](mailto:chris.taylor@onenortheast.co.uk), 0191 229 6607) or Rebecca Sanderson ([rebecca.sanderson@onenortheast.co.uk](mailto:rebecca.sanderson@onenortheast.co.uk) 0191 229 6717).