

# ***Briefing 2 - Rationale***

## Rationale and Vision for Simplification

### **Other briefings available:**

1. Overview
3. Accessing Business Support in the future
4. Processes for the transition
5. Getting involved/ keeping up to date

### **More information:**

The North East site:  
<http://www.businesssupportnortheast.co.uk/page/index.cfm>

On the site key documents are stored including:

### **The Economic Drivers for Government Funded Business Support**

### **National Policy Background**

The principle behind Solutions for Business is simple, and it is not new.

Evidence shows that businesses are more likely to survive and grow if they seek advice. However, the majority of businesses do not access any type of business support. This is why the Government is trying to make the market place work better for business people. Unfortunately, over the years the number and diversity of the funding streams and initiatives has grown making the public offer to businesses too complex.

Since 1993, successive governments have heard concerns from businesses about the confusing array of services and agencies by addressing issues about access and numbers of schemes. Setting up the Business Link network for business support and the introduction of the brokerage model responded to these concerns. More recently, many Regional Development Agencies (RDAs) like ONE have rationalised the network further by creating a single regional Business Link provider.

Following a major consultation with business, the Department for Business, Enterprise and Regulatory Reform (BERR) reduced its own range of 'products' from over 100 to less than 10 a few years ago. That process provided the impetus for the Department to start looking across government at the full range of products available to businesses from a myriad of funding streams.

The result was a commitment in the 2006 budget to 'reducing 3000 products to less than a hundred by 2010'. Various Government departments have been reviewing their own offerings and defining exactly what they are trying to achieve when funding business support. Economists have analysed the business case for business support across a wide range of areas and agreement has been reached so far for 30 products. This portfolio of 'Solutions for Business' as they are called will be the only business support services that any public agency should fund or deliver from 2010.

## **Rationale**

The simplification programme is not about cuts to the number of services and grants. The real thrust of the programme is to create customer focused strategies at all levels – national, regional, sub-regional and local – for the delivery of an integrated programme of business support. Ideally, using an evidence based approach, each region will agree what its requirements are, and then funders will decide collectively which needs can best be met at which level. For example, Enterprise Coaches (for pre-start support) may be delivered at the local level while a product like Networking for Innovation would be better delivered at a regional level.

Taking an evidence based, strategic approach in this way, should lead to a reduction in duplication of services and a reduction in the delivery gaps. The touchstone for the programme remains the concept of reducing confusion for customers, but, implemented properly, the programme can also lead to more efficient and effective use of existing funds for enterprise and business support. During the economic downturn, ensuring the most efficient and flexible use of funding is going to be even more important and it is crucial all stakeholders work together across the region to attain this.

## **NE Vision**

In the North East, ONE has been working since 2003 to simplify the region's stock of business support schemes. At that time, over 550 schemes or services were identified and already that figure has been more than halved. To manage the process of introducing the new products, a Transition Management Board has been convened with key representatives from public, private and third sectors. The Board has set out its vision for the North East based on that of the RES:

*To use the coordinated strengths of the public, private and third sectors to deliver an easily understood and accessible business support service at a level which engages individuals, businesses and communities. This will drive the economy of the North East of England by developing more competitive and productive businesses and entrepreneurial people.*

The vision requires an intensive and extensive approach, based on analysis, dialogue with key partners, alignment of funding, and enhanced co-ordination of delivery of business support, but with simple and co-ordinated branding and access. Implementing the vision for regional business support will require new levels of engagement – at a strategic and operational level, and closer partnerships with a wide variety of stakeholders – including funders, central Government and the private and third sectors.