

## 1. Purpose

- To encourage and facilitate joined up provision that meets the needs of local businesses moving forward.
- To increase access to impartial advice for businesses.
- To increase the take-up of business support in North Devon and Torridge.
- To map current provision of business support services.
- To identify gaps in support.

## 2. Progress to date

- A search has been undertaken for business support strategies in other geographical areas.
- Desk research has been undertaken in mapping the range of business support services available in North Devon and Torridge.
- Descriptive analysis of current provision by sector, by location and support area.
- Meetings held with SWRDA and Business Link in relation to national and regional business support strategies, current local provision, future plans and approaches taken in other parts of the South West.
- Meetings held with the Heads of Planning in North Devon & Torridge on how to support businesses through the planning process.
- Summary papers produced and circulated to check accuracy and for comment.
- A Business Engagement Network of practitioners working with businesses to develop business and workforce skills is already in existence.

## 3. Main findings

### 3.1 *Strategic context*

- There are very few formal business support strategies. Examples were found in the East Midlands and South East of England, produced by the Regional Development Agencies EMDA and SEEDA.
- Neither SWRDA nor Business Link have a formal strategy for business support – instead both use the national ‘Solutions for Business’ model which is intended to apply at all levels – national, regional and sub-regional.
- The national model for business support, ‘Solutions for Business’, has been developed in response to two key strategies – the national Enterprise<sup>i</sup> and national Innovation<sup>ii</sup> strategies. Key Government priorities are to:
  - Raise the productivity of the UK economy
  - Deliver the conditions for business success in the UK
  - Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions.

A further aim is to use enterprise to develop wider benefits *“to bring significant social and economic benefits to more deprived parts of the country and those groups in the population represented there.”<sup>i</sup>*

- Key measures of success for the Enterprise Strategy include:

- A greater proportion of people with the ambition to start up and grow a business.
  - An increase in the proportion of SMEs making use of external business advice.
  - A fall in the extent to which access to finance is likely to act as a barrier to enterprise.
  - An increase in the proportion of SME turnover due to new or significantly improved products.
- The rationale for business support is to *“help address market failures or equity gaps, so allowing everyone in society to unlock their talents and realise their full potential”*.
  - In response to business feedback, a key Government policy is to simplify and reduce the number of publicly funded business support schemes - the Business Support Simplification Policy - to a reduced portfolio of c. 30 core products, which have been branded ‘Solutions for Business’. These products are available through a single gateway – Business Link.

### **3.2 Local model for business support**

- The ‘Solutions for Business’ model comprises seven areas of support, which are intended to be relevant to all businesses:
 

a. Starting up	e. Environment & efficiency
b. Growing your business	f. Exploit your ideas
c. Finance and grants	g. International trade
d. Developing people	

This categorisation, therefore, is intended to provide a model for services at all geographical levels, from national downward.

- Across the country, Government Departments, Local Authorities, Regional Development Agencies (RDAs) and other government bodies are working in partnership to deliver simpler business support.
- In recognition that local needs might vary, some flexibility has been built into the process - Regional Development Agencies (RDAs), Local Authorities and regional funders, such as RDAs, have a role in deciding how much money to put into each product and whether or not to make all products available in their area, linking to Local Area Agreement targets.
- In Torbay and Plymouth, a partnership approach has been adopted, between Business Link, local authorities and development agencies, to the design, packaging and communication of business support services locally which has helped to raise awareness, understanding and ownership of core and local support services.
- On the skills side, an Employment and Skills Board (ESB) is being established in North Devon to be a focus for skills and vocational training development in the area. The ESB will seek to champion skills development across the business community; to identify, understand and communicate the skills needs of employers; and to influence local delivery priorities.

### **3.3 Business support available in North Devon and Torridge**

- Available services have been mapped in four ways:
  - Alphabetically, as a directory of available services (see Appx A).
  - Against the core need areas of ‘Solutions for Business’ and cross referenced by key sector (see Appx B).
  - Against geographical location of provision (see Appx C).
  - Against the key need areas of Business Start-up and Business Growth (Appx D).

- Details are currently being checked by Business Link. From this analysis, a number of observations can be made:
- More than 150 business support services are available in the area.
- Of the 32 core national products, 24 are available in the North Devon and Torridge area. Two more are planned to be introduced soon.
- Outside of agriculture and landed sectors, few grants or soft loans are available for businesses. Exceptions include:
  - Grants for innovation and R&D (e.g. Springboard, KTPs), typically to bring new products or services to market or to overcome specific barriers to innovation.
  - Bideford Business Start-up Programme (Bideford Bridge Trust) – only available within a limited area centred on Bideford, although there are discussions to extend to an area from Hartland to Instow.
  - The Jobcentre Plus ‘Test Trading’ Scheme, which allows retention of benefits for JSA claimants beginning to start a new business.
  - UnLtd Millennium Awards to support social entrepreneurs with ‘big idea’ projects.
  - RE4D – grants towards the costs of renewable energy systems.
  - Small grants towards wireless infrastructure in rural Exmoor/North Devon (North Devon Council).
- A number of national products have been introduced to address credit constraints where businesses have a viable business proposition.
- Few programmes have put people on the ground in the local area. Most support is delivered remotely. There are few sources of impartial business advice locally. Exceptions include:
  - Bideford Start-up Programme (limited geographical area)
  - Barclays Seminars (limited to 3 seminars p.a.)
  - Advice available through North Devon+ membership
  - Advice for Social Enterprises in North Devon only (Empowering Communities)
  - Peer group support through network organisations, Chambers, trade associations and membership organisations with either a local office or active group
  - Training delivery organisations
  - Signposting of services by the District Councils
- The Rural Development Programme for England has started to plug a number of strategic gaps in business support for agricultural and land-based businesses – e.g. environmental advice for farmers, support for resource efficiency.
- South West Competitiveness funding is also intended to plug strategic gaps in supporting enterprise and innovation at a regional level.
- Other than for agriculture, food & drink and tourism, few products are focused on the particular needs of northern Devon’s other priority sectors, these being creative industries, environmental technologies, marine engineering and advanced engineering (Northern Peninsular Strategic Investment Framework).
- Although a national priority, limited support is available to encourage and support enterprise within disadvantaged wards and amongst underrepresented groups. National products are available to address this gap, but are currently not planned to be introduced in North Devon and Torridge.

- Support for business use of ICT is also limited beyond help in remote parts of North Devon and Exmoor to purchase wireless infrastructure. A similar project in Torridge has been mooted.
- The main range of support is available through Business Link, which has an 'information, diagnostic and brokerage' role to assess need and introduce product solutions. Access to the full range of 150 services relies upon businesses contacting Business Link or making direct contact with individual providers. The Rural Enterprise Gateway provides a regional entry point for support for agricultural and land-based businesses.
- Many of the available services are time or geography limited and vary greatly in the level of support provided. No support schemes have been identified that currently proactively target hard-to-reach businesses.
- There are some mis-matches between Business Link products and local services offered – e.g. Business Link do not currently offer pre-start workshops in North Devon in view of local 'Barclays Seminars', although the capacity of these seminars is very limited.
- Data on the take-up of services delivered by Business Link in the North Devon and Torridge area is to be provided.

#### **4. Strategic proposals**

- Complete the demand-side analysis of business support through the findings of the Devon Renaissance Business Survey and discussion with key business stakeholders to compare with the supply-side analysis.
- Establish a partnership team, similar to that adopted in Plymouth and Torbay, to look at business support in the round, involving key stakeholders and business representation, and bring forward any necessary local support solutions – a 'Team North Devon' approach. This role could be undertaken by the North Devon Employment & Skills Board, which is likely to have a similar membership.
- Seek to bring forward the core business products that are currently not available in North Devon and Torridge.
- Increase communication and awareness of available business support locally.
- Incorporate needs of North Devon's priority sectors within strategy development work for these sectors.
- Develop, in conjunction with the District Planning Departments, support and guidance for businesses through the planning process (one of the main reasons businesses contact District Councils for help).
- Support/encourage initiatives that will reach out to businesses that are not currently engaged with business support.

#### **5. Next steps**

- Complete demand-side research – analysis of Devon Renaissance Business Survey data, discussions with key business stakeholders.
- Support further research initiatives with micro-businesses on their needs and how these match with services offered.
- Analyse findings and contrast with supply-side services.
- Develop Terms of Reference for a North Devon Business Support Working Group as forum for reviewing/developing local business support initiatives. Explore whether this role could be undertaken by the new Employment & Skills Board.
- Develop Terms of Reference for the North Devon Employment & Skills Board.

- Support the communication of the range of business support services available.
- Provide analysis to Leader 4 to inform the delivery of business support through the Leader programme.

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<sup>i</sup> HM Treasury & BERR, 2008, 'Enterprise: unlocking the UK's talent'

<sup>ii</sup> DIUS, 2008, 'Innovation Nation'

<sup>iii</sup> BERR, 2008, 'Simple Support, Better Business: business support in 2010'